EXTENSIONS OF REMARKS

END SOUTH AFRICAN SANCTIONS NOW

HON. WM. S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. BROOMFIELD. Mr. Speaker, now is the time for President Bush to lift sanctions on South Africa. Recent developments make it legally and morally right to end the sanctions imposed in the 1986 Comprehensive Anti-Apartheid Act. The President should heed the words spoken by sanctions supporters on this floor almost exactly 5 years ago.

On June 18, 1986, my colleague from Pennsylvania, Majority Whip BILL GRAY made it clear that the time to lift sanctions would come:

[The Comprehensive Anti-Apartheid Act] is not simply a bill that throws up its hands and has penalties. It is a bill that also has incentives. We say to the South Africans: If you begin to dismantle apartheid, if you free the thousands of political prisoners locked in your jails, if you begin to negotiate with the majority leadership there in South Africa, we say we will lift all the sanctions.

Note that Mr. GRAY said "begin to dismantle apartheid" and "begin to negotiate." Clearly he envisioned the start of the process, not the finished product. Likewise, with the words of my colleague from Michigan and former chairman of the Foreign Affairs Subcommittee on Africa, Mr. WOLPE, who said the same day:

We today consider the Anti-Apartheid Act of 1986, legislation that would impose new economic sanctions on South Africa, sanctions that would be lifted * * * when the South African Government has at least freed Nelson Mandela and all political prisoners, and has entered into good faith negotiations with representative leaders of the black majority.

Because they never envisioned a South African Government willing and able to dismantle apartheid, many supporters of sanctions are now scrambling to rewrite legislative history to continue sanctions at any cost. They cannot be allowed to succeed. U.S. law is clear, and U.S. policy should follow the letter and the spirit of the law. Public Law 99–440, the Comprehensive Anti-Apartheid Act of 1986 [CAAA], contains five explicit conditions that must be met for sanctions to be lifted. Section 311(a) of the act states that sanctions shall terminate if the Government of South Africa meets the following five conditions: Release of political prisoners; repeal of the state of emergency and release of detainees; unbanning of political parties and allowing political expression; repeal of the group areas and Population Registration Acts; and agreeing to enter into negotiations without preconditions. It is my view that all five of the conditions have now been met, and the CAAA sanctions should be lifted.

The conditions are clear and the legislative history is clear—despite the efforts of some to engage in intellectually dishonest revisions. To try to shift the goalposts after 5 years would make us, in the words of former United States Ambassador to South Africa Herman Nickel, "useful idiots" for the African National Congress. A brief review of the CAAA conditions illustrates that the Government of South Africa has met all five and that sanctions should be lifted.

Section 311(a)(1) addresses the issue of the release of political prisoners, those detained unduly without trial, and Nelson Mandela. Nelson Mandela was released on February 11, 1990—on that much all sides agree. On June 21, 1991, the South African Parliament passed amendments to the Internal Security Act limiting detention without trial to 10 days—a major improvement over the previously unlimited detention period. More importantly, the amendments establish a clear rule of law with the right of access to legal counsel for all detainees.

While there remains a dispute between the Government and the ANC over the definition of political prisoners, it is my view that all political prisoners as defined in the CAAA have been released. Section 311(a) does not address individuals imprisoned for violent acts allegedly performed for political reasons. It states that "all persons persecuted for their political beliefs" must be released. It does not state that all persons persecuted for actions related to or stemming from their political beliefs must be released. Beliefs—not actions—is the standard laid out in the 1986 law and it is the standard we should use in 1991. I believe that any objective measurement under the "beliefs" standard demonstrates that the condition has been fulfilled with the release of more than a thousand prisoners since February 1990. We should not be held politically captive to an ever-changing ANC count of political prisoners which has little to do with the condition in section 311(a)(1).

A related, and equally specious, issue is the debate over the right of exiles to return to South Africa. Many exiles have returned—and many have not. The South African Government cannot force exiles to return, it can only make the opportunity available. There are many reasons South Africans may choose to remain in exile, including a desire to avoid the black on black violence plaguing their home or a desire to enjoy a more comfortable life abroad. The South African Government has fulfilled its commitment to allow exiles who wish to return the chance to do so.

Section 311(a)(2) addresses the issue of repealing the state of emergency and releasing detainees. The state of emergency was repealed in June 1990 nationwide, with the exception of the Province of Natal. The state of emergency was lifted in Natal in October 1990. According to the South African Human Rights Commission, detainees under the states of emergency have been released.

Section 311(a)(3) addresses the issue of unbanning political parties and permitting political expression. The African National Congress, the Pan-African Congress and even the South African Communist Party can all now operate as legal political parties. They can—and have—held rallies, recruited members and otherwise expressed their views. Some revisionists are now attempting to argue that the requirement for South Africans of all races to form parties, express political opinions, "and otherwise participate in the political process" will not be met until all South Africans can vote. This argument is wrong, and is not supported by the law or by legislative history. If section 311(a)(3) was meant to require the right to vote before it was fulfilled, it would say so. It does not and we should not be misled by those who want to change the law by rhetoric. We should stick to the reality of the law and legislative history which deals with political participation, not with "one man, one vote." Participation in the political process means holding rallies, expressing views and, most importantly, participating in discussions about a new constitution—which is exactly what the Government wants the ANC to do.

Section 311(a)(4) addresses the repeal of the Group Areas Act and the Population Registration Act. The Group Areas Act was repealed on June 5, 1991, and the Population Registration Act was repealed on June 17, 1991. The repeals will go into effect on June 30, 1991. In addition, the Separate Amenities Act was repealed last year and the Land Act was repealed earlier this month. None of these legislative pillars of apartheid has been replaced with measures having the same effect. In a fashion that other heads of government may envy, President de Klerk has decisively moved his agenda through Parliament and demolished the legal foundation of apartheid.

Section 311(a)(5) adresses entering into good faith negotiations with representative members of the black majority without preconditions. President de Klerk's government has repeatedly and emphatically stated its desire and intention to begin discussions with representative black organizations immediately and without any preconditions. The landmark Pretoria Minute of August 6, 1990, with the ANC laid out the foundation for continued dialog. However, it takes at least two to negotiate. To date, it has been the ANC that has placed deadlines, preconditions and terms on its willingness to negotiate. While I hope that the ANC will clarify whether—and when—it is willing to begin good faith negotiations without preconditions after its party congress next month, the willingness of the government cannot be in doubt.

Just as there seems to be confusion about the legislative history surrounding the five conditions, there now appears to be some mis-

understanding about the process and the effects of a decision to lift sanctions under section 311(a). I would like to highlight the terms of the law and the effect of lifing sanctions for my colleagues.

First, if the conditions in section 311(a) are met, the only action required by the CAAA is for the President to sign an executive order. There is no formal or informal congressional review required for those sanctions to be lifted. While I am confident the Bush administration would continue to keep communications regular and open with Congress, Public Law 99–440 does not require such communication if all five conditions in section 311(a) are met. Any congressional opposition to a sanction-lifting decision would have to be expressed through the regular legislative process of bill introduction, committee action, floor consideration, and conference committee.

Second, even with a determination that the conditions in section 311(a) have been met, a number of tough sanctions would remain in place against South Africa. Some of the sanctions that would still remain include: the prohibition on IMF support for South Africa; the prohibition on Export Import Bank support; the ban on exports to the South African military and police; the bans on export and import of lethal military equipment to or from South Africa; the denial of tax credits for United States firms operating in South Africa; and the prohibition on intelligence cooperation. All of these sanctions would remain unaffected by a Presidential decision that the five conditioins in section 311(a) in the CAAA have been met.

Finally, and most importantly, lifting of the CAAA sanctions would not be the end of United States leverage in South Africa—on the contrary, it would herald the renewal of United States efforts to encourage positive change rather than merely punishing that which we abhor. Lifting sanctions would show that the United States is willing to respond to far-reaching—and irreversible—changes in South Africa. It would show that we are willing to support President de Klerk's historic vision of a democratic future for South Africa.

As Inkatha Chief Buthelezi told our committee last week: "I call for the scrapping of sanctions because if they ever had any utility, they have none now." For too long, blacks in South Africa have suffered from the impact of sanctions. It is blacks that have borne the brunt of unemployment, lack of opportunity, and economic stagnation. All South Africans will benefit from a decision to lift CAAA sanctions. We should contribute to the economic rebuilding of the "New South Africa" and quit punishing the victims of apartheid. To end sanctions would signal a United States willingness to abide by our law and honor our commitment to those South Africans—black and white—who are striving for a nonracial democratic future.

I urge President Bush to take the supporters of sanctions at their word and end sanctions. I urge President Bush to heed the calls of such liberal voices as the Washington Post and Richard Cohen and end sanctions. I ask that editorials from the Washington Post, the Chicago Tribune and the Fort Worth Star-Telegram, and articles by Herman Nickel and Richard Cohen be printed in the RECORD at this point.

[From the Washington Post, June 24, 1991]

FORMULA FOR CHAOS—CONTINUED SANCTIONS WILL MAKE POST-APARTHEID SOUTH AFRICA UNGOVERNABLE

(By Herman W. Nickel)

Pauline Baker's plea to President Bush to put off lifting the Comprehensive Anti-Aparthied Act of 1986 ["South Africa: When to Lift Sanctions" op-ed, June 18] demonstrates the lengths to which the sanctions movement will go to move the goalposts in order to stay in business.

By twisting the facts to impugn the good faith of F. W. de Klerk's commitment to negotiate a new democratic order, she builds a case that adds up to bad law and worse policy.

By signaling to Pretoria that solemn undertakings by both the legislative and executive branches of the U.S. government are subject to constant reinterpretation—and are thus meaningless—the effect of her advice would be to undermine U.S. credibility and influence on the de Klerk government during the critical negotiations ahead.

By sending the African National Congress and its ally, the South African Communist Party, the message that Washington has become their "useful idiot," the effect would be to make them more intransigent just when more flexibility is called for.

Perhaps most damaging, by leaving in place artificial obstacles to the recovery of South Africa's economy, Baker's recommendations would further reduce the chances for a successful transition to a democratic "New South Africa." If there is one thing ANC and government economists can agree on, it is that unless the South African economy resumes growth very soon (after 15 years of stagnation) that transition is doomed. Without a resumption of vigorous growth, there is little chance that any constitutional compromise will withstand the wave of instant expectations of an angry, ever-growing underclass of undereducated, unemployed young blacks. To them, liberation has as much economic as political meaning.

While South African business has been remarkably resourceful in replacing export markets closed by sanctions, the denial of access to the IMF and the negative effect on normal bank lending have made it impossible for Pretoria to pursue growth-oriented economic policies. The longer this situation drags on, the more likely it becomes that measures taken in the name of fighting apartheid will make post-apartheid South Africa ungovernable.

When will it finally sink in that the real victim of continued economic sanctions is not the present South African government, but the one that succeeds it? (Not to mention the rest of the region, which depends on the South African economy for its own recovery.)

In fact, the pressure on President de Klerk to negotiate a new democratic constitution for South Africa does not come from sanctions, but from his political imperative to have the new constitution in place before his present term expires, which will be early 1955 at the very latest. De Klerk cannot hope to reach this target unless the ANC agrees, and that requires good will and good faith on everyone's part.

A prime reason for de Klerk's remarkable success in keeping his National Party caucus so solidly behind his radical reform course is their awareness that its right wing rival, the Conservative Party, no longer stands a chance once a non-racial franchise comes into effect. To imply that it is de Klerk who has been dragging his feet on the convening of a multiparty conference is to turn the truth on its head. It is the ANC that has been adding new preconditions. No one has been keener to get the talks started than de Klerk.

It was precisely this entry into negotiations by all the parties that the 1986 sanctions law sought to encourage. Once the U.S. Embassy certifies that the South African government has released "all persons persecuted for their political beliefs" (as distinct from acts of violence), de Klerk will have met all of the five objective conditions of the law, after which, under section 311(a), the act automatically terminates.

Sanctions campaigners are thus faced with the awkward task of coming up with new legal constructions to keep the law alive. The one Baker comes up with is as ingenious as it disingenuous. Not only does the law require the South African government to enter into negotiations, she argues, it must do so in "good faith." Giving the concept of negotiations a novel meaning, she then proceeds to define "good faith" in terms of de Klerk's willingness to do exactly as the ANC says.

This applies to various new preconditions with which the ANC has dragged out the start of multiparty talks, including some the ANC later dropped, like the firing of the ministers of Defense and Law and Order. She puts the onus for the continuing bloody turf fights between the ANC and Inkatha on de Klerk's "limp" reaction, but she signals how negatively she would react to sterner measures by expressing her indignation over a hamhanded paratrooper exercise in Soweto.

But even if de Klerk satisfied these preconditions, Baker would keep the sanctions in place on the theory that only the actual course of negotiations, not their start, can test de Klerk's bona fides. Once again, compliance with ANC demands is the test.

Specially, she would lift the most consequential sanction—denial of access to the IMF—only after de Klerk has agreed that his cabinet step aside in favor of an interim government and that the job of drafting a constitution be moved from the multiparty conference to an elected constituent assembly. There the ANC and its allies hope to impose their views by their superior numbers rather than first having to establish a consensus on essentials in a multiparty conference.

In as ethnically and racially divided a society as South Africa, such a simplistic majoritarian approach is a certain prescription for continued conflict. Nevertheless, as recently as June 16, Nelson Mandela vowed that the ANC would not compromise on these demands and threatened de Klerk with "mass action" if de Klerk does not comply. It would appear that, under pressure from radicals, Mandela now agrees with his wife, Winnie's, dictum that there can only be negotiations about the transfer of power, not the sharing of power.

For the United States to sign on to this agenda would be a disaster. It would fan the very fires of racial antagonism in South Africa that Baker warns against. It would violate not only the plain language of the Anti-Apartheid law but its spirit—which was to push not only the South African government but also the ANC toward negotiation and compromise.

[From the Washington Post, June 25, 1991]

SANCTIONS: WHO'S BEING HURT?

(By Richard Cohen)

In a discussion of South Africa and the question of sanctions, some statistics are worth noting. The first is that well over 1,000

people have been killed this year in fighting between blacks. The second is that 40 percent of the country's people are 15 or under. The third is that unemployment among the young averages over 40 percent. And the last is no statistic at all but a fact nonetheless: Many of the nation's young people haven't attended school in years.

These are not the usual figures trotted out when South Africa sanctions are discussed. Those have to do with race—numbers of whites, numbers of blacks and numbers of people of other races. But South Africa is fast moving to the time when those figures will become less important. Apartheid has been officially junked. What matters now is not—or not only—the sort of nation South Africa used to be, but what it will become.

That ought to be at the heart of the coming debate over whether the United States should lift the sanctions imposed in 1986. Chances are, though, that won't happen. Instead, liberals and conservatives will scurry to their traditional battle stations on matters of race and fight it out with sound-bites. Already, Sen. Edward M. Kennedy (D-Mass.) has called for the retention of sanctions while President Bush says he wants to junk them.

The African National Congress wants the Bush administration to retain sanctions. It has its reasons. Blacks have yet to be given the vote. Political prisoners remain in jail—although they soon will be released. The country has huge income disparities between blacks and whites, and much power remains in the hands of the white minority—much power and most of the wealth. Apartheid wasn't built in a day, and it won't end overnight either.

But those arguments tell only part of the story—not that it will matter any to some people. The Congressional Black Caucus is likely to do what the ANC wants, and most other Democrats will fall into line. But the awful statistics mentioned above are a powerful argument for the removal of sanctions. Unless the South African economy is revitalized, there's going to be hell to pay in a very short time. No black majority—especially one in which the socialist and communist-leading members of the ANC have any influence—will be able to withstand calls for a radical redistribution of wealth.

Already such calls have been sounded by the South African Communist Party. Like the French kings of old, it has learned nothing and forgotten nothing. Joe Slovo, a Communist member of the ANC's hierarchy, explains the collapse of Eastern European communism with a catchy analogy. It's not the plane that failed, he says, but the pilot.

But in his terms the pilot of South Africa's economy is the white community. It not only runs the economy, it also makes the economy run. If too much is taken from it—no matter how justified the policy—whites will flee the country.

Already, it takes a cockeyed optimist to have much faith in South Africa's future. Where are the jobs for the increasingly radicalized "comrades" of the townships? There are few—and anyway, by edict of the ANC, they are an uneducated lot, told not to attend school but to participate instead in the revolution. These are the very people who, in American terms, consider Nelson Mandela a "Tom." Comes the new constitution and one-man, one-vote, it will be hard to restrain them.

If South Africa is going to have any chance of success, if it is not to follow the awful example set by the rest of Africa, its economy must be expanded—and fast. Sanctions of all kinds have cost South Africa plenty, shrinking its economy by an estimated 20 to 35 percent, and hurting those who can least afford it—poor blacks. (That accounts for why public opinion polls find most South African blacks opposed to sanctions.) Lifting sanctions would by no means solve South Africa's economic problems. Without it, though, things will only get worse. The bloody battles of the townships will be about jobs.

The government of President F.W. de Klerk has satisfied four of the five conditions imposed by the United States for the lifting of sanctions. The aparthied apparatus has been dismantled. Now only political prisoners need be freed. For de Klerk, for white South Africa in general, there is no turning back. Of course, more needs to be done. But if U.S. sanctions, once a needed statement of moral revulsion at apartheid, result in a South Africa that is both free and impoverished, it will not remain free very long.

[From the Washington Post, June 25, 1991]

ENDING SOUTH AFRICA SANCTIONS

With repeal of the last apartheid legislation in South Africa, the United States is within sight of the policy goals for which it imposed economic sanctions five years ago. Not that these sanctions alone, or even all international sanctions together, made the difference. The valor of South Africans, of different races, made the difference. Partly because of sanctions, however, the oppressive state of emergency is no more. Once-illegal opposition parties have been unbanned. The hated apartheid laws have been stricken. Negotiations to establish a nonracial democracy are being launched. It remains only for Pretoria to see to the release of the remaining political prisoners for the fifth and final condition of the law to be met. This is expected to be worked out over the summer, and the Bush administration intends to lift sanctions at that time.

In doing so, the United States will be doing more than fulfilling the explicit terms of the sanctions law. It will be making itself a useful patron of the constitutional talks that offer South Africans their one hope of becoming a free society. It will also be turning its influence to expand the South African economy rather than to choke it. Economic pressure, even if it hurt blacks, had a role while the ruling white minority stood firm against power sharing. With whites now moving to empower the black majority, the American interest becomes enabling the economy to grow. South Africa's own interest in growth to serve not only privileged whites but a desperate black population is recognized by important black leaders, including Nelson Mandela, leader of the moderate wing of the African National Congress, and Chief Mangosuthu Buthelezi of the Inkatha Freedom Party.

The Bush administration's view on sanctions is contested by some in the United States and South Africa, including (in the latter place) representatives of the more militant wing of the ANC. Fearful that, freed of sanctions, the de Klerk government will shrink from fairly sharing power, they favor extending the restrictions until the results of constitutional talks are actually in hand. But there is no firm basis in the sanctions law to justify this after-the-fact revision of its terms. Nor does such a reversal take into account the damage that would be done to American credibility in the negotiating process. Least of all does this position respect South Africa's urgent need to move from a wartime footing into a stage in which the country can tend to the pent-up economic and social as well as political requirements of the mass of its people.

[From the Chicago Tribune, June 20, 1991]

TIME TO SANCTION SOUTH AFRICA GROWTH

"Now it belongs to history."

So said President F.W. de Klerk after the South African Parliament on Monday scrapped the Population Registration Act, the racial classification law that was the last and most essential pillar of apartheid.

It wasn't clear whether De Klerk was referring only to the law or to the entire system of racial separation that it underpinned. It actually didn't matter, since he was wrong in either case.

The Population Registration Act and other statutory props of apartheid may have been erased from the books, but it will be years before they are erased from the minds and hearts of South Africa's people.

Likewise, the economic and social distortions engendered by this pernicious adventure in social engineering will persist, confronting South Africans with the kind of dilemmas of racial equity already familiar in the United States and other multiracial societies.

For the moment, however, De Klerk's actions present the United States with a dilemma: Whether to maintain economic sanctions or lift them. Those who are genuinely interested in fostering progress in South Africa ought to favor lifting them.

Apart from the necessity for a non-racial, democratic constitution and government, South Africa's greatest need at the moment is for economic development and growth. With the exception of the artificially advantaged whites, who are less than 20 percent of the population of 37.5 million, most South Africans live Third World lives. For much of the black population—77 percent of all South Africans—unemployment is a chronic condition of life.

It turns out that both sides in the American sanctions debate of the mid-1980s were right. Sanctions did prod the South African government toward liberalization, as proponents insisted. But the burden did fall most heavily on black South Africans, as well as on black residents of neighboring countries who had been accustomed to trekking to relatively prosperous South Africa to earn a living.

Since the U.S. imposed sanctions in 1986, economic growth has fallen to zero or less. Annual population growth, on the other hand, has been about 2.5 percent overall, virtually all of it accounted for by South Africa's blacks and none by the whites.

Black South Africans insisted that they were willing to bear the burden of sanctions to eliminate apartheid. But now, with the legal structure of apartheid dismantled and the white government committed, apparently irreversibly, to genuine democracy, the justification for sanctions would seem to have disappeared.

Perhaps more important, political conditions within South Africa are more critical to investors now than a sanctions law. Investors demand stability; a reversal of course by De Klerk would trigger cataclysmic instability. He has no real choice except to move forward.

At best, continuing sanctions would only reinforce the message of the marketplace. At worst, it would strengthen the hands of De Klerk's far right-wing white opponents, who would take the continuation as evidence that nothing will satisfy the Americans.

Only South Africans—black, white, mixed race and Asian—can give themselves the

non-racial democracy that leaders like the African National Congress' Nelson Mandela say they desire.

But repairing the social and economic disfigurements of apartheid is a task in which the United States and the rest of the world can help. The way to start is to lift sanctions and make trade and economic growth possible again.

[From the Fort Worth Star Telegram, June 20, 1991]

SANCTIONS—REWARD RACIAL PROGRESS IN SOUTH AFRICA

Apartheid lost its venomous head with the voiding of the Population Registration Act, but its serpentine coils still have a chokehold on the social, political and economic life in South Africa.

The loathsome system of white supremacist domination and repression will not be dead until the country has a new constitution that guarantees full civil and political rights to all its citizens. Even then, it could take years to free the country completely from the grasp of its racist past.

Nevertheless, it must now be acknowledged that under the leadership of F.W. de Klerk, South Africa has made dramatic progress toward the establishment of a free equitable and just society. The speed at which that progress has been made has exceeded most realistic expectations, although it has not been occurring quickly enough for most active opponents of apartheid.

When the last of the anti-apartheid political prisoners are freed in a few weeks, South Africa will have met all the conditions to justify this country's lifting of the economic sanctions imposed upon it five years ago. That should be done despite the opposition of some anti-apartheid lobbyists and members of Congress.

The sanctions have worked. They were instrumental in moving the South African government in the direction of reform. Continuing them after the specified conditions for their removal have been satisfied would likely prove counterproductive.

Indeed, keeping them in place until agreement has been reached on a new constitution would be unrealistic. That will be a tedious and protracted process, and the main impediment to accomplishing that now is intertribal warfare among the black population.

Until the African National Congress and the Zulu Inkatha movement settle their differences and their bloody strife ceases, negotiations on a new constitution can go nowhere. Sanctions can have no effect on that problem.

Lifting the sanctions would at least keep the de Klerk government honest by showing it what it has to gain by staying on its progressive course and what it could lose again by reversing it.

A TRIBUTE TO MARIETTA DANTONIO

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. WELDON. Mr. Speaker, I rise today to commend Marietta Dantonio for her patriotic support and unwaivering dedication to the United States military during Operation Desert Storm.

Ms. Dantonio created and pursued the idea of Operation Desert Art, a program that involved shipping over 7,000 pounds of art and craft supplies to our men and women in the gulf. She developed this program believing that art could provide a creative and healthy medium through which the troops could release stress. Operation Desert Art proved successful because of the limited range of recreational activities available to the troops.

Marietta Dantonio, who is an art teacher with a school and shop in Wilmington, DE, derived the idea for Operation Desert Art after putting together a portable art kit for a customer's son stationed in Saudi Arabia. She realized that all of the military could benefit from the recreational, creative, and therapeutic value of art, and began to organize Operation Desert Art.

Thanks to her tireless time and effort, Ms. Dantonio was able to successfully coordinate the entire operation in just a few short months. Initially, this involved contacting Members of Congress and NAMTA [National Art Materials Trade Association], as well as many other helpful sources of information for suggestions about how to make her idea a reality. With the help of many volunteers, she then mailed direct appeals to over 5,000 organizations and small businesses within the art industry.

Since January 1991, Operation Desert Art has received over 7,000 pounds of art supplies with a value in excess of $125,000. In addition to these supplies, many people not connected with the art industry have generously donated storage space and means by which to transport the materials, as well. However all of this would not have been possible without Ms. Dantonio's commitment and immeasurable dedication to Operation Desert Art.

Mr. Speaker, Marietta Dantonio was able to brighten the lives of our men and women in the gulf through many months of dedication and hard work. Therefore, all of us in the House of Representatives should commend the efforts of Marietta Dantonio and the success of Operation Desert Art for its patriotic support of our troops.

NUCLEAR PROLIFERATION PREVENTION ACT OF 1991

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. MARKEY. Mr. Speaker, today I am joining with Senator WIRTH and Representatives SOLOMON, WOLPE, and STARK in introducing the Nuclear Proliferation Prevention Act of 1991.

The purpose of this bipartisan legislation is to create more effective domestic and international controls on the proliferation of nuclear explosives. The bill we are introducing offers a five point program for accomplishing this objective:

First, it would prevent any U.S. export of goods or technology relevant for nuclear explosive purposes from falling into the hands of nonweapons countries which do not maintain full-scope, International Atomic Energy Agency [IAEA] safeguards and do not have an agreement for nuclear cooperation with the United States.

Second, it would bar exports of highly enriched uranium, subject to a limited exception for those few reactors which cannot feasibly convert to use of low-enriched uranium.

Third, it would provide for international negotiations leading to the adoption of multilateral controls restricting all nuclear exports to nonweapons states that do not accept full-scope safeguards.

Fourth, it would provide for negotiations to improve the effectiveness of the International Atomic Energy Agency's safeguard system.

Finally, it would subject individuals, companies, or countries violating the international proliferation controls agreed to by the Nuclear Suppliers' Group to trade sanctions affecting both nuclear exports from the United States and a wide range of nonnuclear imports into the United States.

In the aftermath of Operation Desert Storm, the need for a tougher nuclear nonproliferation regime has become clear. With the end of the cold war, we're less worried about the possibility of Soviet nuclear missiles than about Moscow's ability to repay Western loans and absorb economic aid.

Desert Storm should serve as a wake up call to the world that if we do not act forcefully now, time soon will run out on the nuclear proliferation clock. If it does, the country using the next nuclear bomb will not be the United States or the Soviet Union, but another country that has built the bomb using materials and technology that we, our allies, the Soviets or the Chinese have supplied them. It will be Iraq, Iran, Pakistan, or North Korea.

We now know that Iraq was able to make substantial progress toward acquiring nuclear explosives while remaining a signatory in good standing to the Nuclear Non-Proliferation Treaty and allowing IAEA inspections of its declared nuclear facilities. The fact that Iraq was able to get close to developing a bomb while remaining within the confines of the existing nuclear nonproliferation regime raises serious questions about the fundamental efficacy of the current regime.

While Allied air strikes against Iraq's nuclear facilities may have delayed temporarily Iraq's quest for a nuclear bomb, they did not halt it. Stealth fighters and Tomahawk cruise missiles are no replacement for an effective nuclear nonproliferation regime that denies countries like Iraq access to dangerous weapons technologies. Already, press reports indicate that an Iraqi defector is telling United States officials that Allied air strikes failed to destroy all of Iraq's nuclear capabilities. As a consequence, Allied military action may have only dealt a temporary setback to Iraq's effort to get the bomb, much as the Israeli raid against Iraq's Osirak reactor did a decade earlier.

If we are to establish a long-term mechanism for preventing countries like Iraq, Iran, North Korea, and Libya from acquiring nuclear explosives, we can not continue to rely on air strikes and the threat of military action to serve as a substitute for a tough nuclear nonproliferation policy. What we need is an international nuclear nonproliferation regime that provides an effective technological stranglehold on the spread of nuclear explosives, and tough sanctions against those who aid proliferators.

The bill we are introducing today would help achieve this goal; it would for the first time link

all U.S. nuclear-related exports to non-weapons states to a requirement for full-scope safeguards and existence of nuclear cooperation agreement. It would toughen up the existing international safeguards system and extend its coverage, phase out exports of highly enriched uranium, and exact strict penalties for those individuals, companies or countries which continue to export goods and materials that could be used for building nuclear weapons.

I want to thank Senator WIRTH, and Representatives SOLOMON, WOLPE, and STARK for their leadership in cosponsoring this important piece of legislation, and I look forward to working with them to secure its passage.

SECTION-BY SECTION ANALYSIS OF NUCLEAR PROLIFERATION PREVENTION ACT OF 1991

SECTION 1. SHORT TITLE

This section sets forth the short title of the Act, the "Nuclear Proliferation Prevention Act of 1991".

SECTION 2. PURPOSE

This Section states the purpose of the Bill is to strengthen both domestic and international controls over the transfer of facilities, materials, equipment, and technology which may contribute to nuclear proliferation by:

1. prohibiting nuclear commerce by the U.S. with non-nuclear-weapons states that do not maintain international safeguards on all of their nuclear facilities and have not entered into a formal agreement for cooperation with the United States;

2. curbing U.S. exports of weapons-usable highly-enriched uranium;

3. mandating the negotiation of a multilateral mechanism for assuring that no facilities, materials, equipment, or technology which may contribute to nuclear proliferation are transferred to any non-nuclear-weapons state that does not maintain international safeguards on its nuclear facilities, that exports of highly enriched uranium are curtailed, and that all nuclear commerce is halted with those non-nuclear-weapon states which pose significant threats to regional or global peace and security;

4. assuring that meaningful and appropriate trade sanctions are imposed by the U.S. on any foreign entity that engages in nuclear trade in contravention of the principles in this Act, and on any nation or group of nations which does not subscribe to such principles or which otherwise authorizes nuclear trade found by the President to be inimical to the common defense and security; and,

5. providing for the United States to enter into negotiations with other nations and groups of nations to improve significantly the effectiveness of the safeguards of the International Atomic Energy Agency.

SECTION 3. RESTRICTIONS ON NUCLEAR EXPORTS

This section amends Chapter 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2151 and following) by adding a new section 134. The new section 134 contains a number of provisions which are intended to create a more effective international nuclear non-proliferation regime, both by upgrading U.S. export requirements and providing for the imposition of trade sanctions where nuclear goods and technology are exported from other countries under less stringent criteria.

Subsection a: The purpose of subsection a of the bill is to establish the principle across-the-board that no U.S. goods or technology relevant for nuclear explosives purposes and/or likely to be used in nuclear facilities should be exported to non-weapons states unless those states maintain full-scope IAEA safeguards and have signed a nuclear cooperation agreement with the United States. Since these requirements currently apply only to nuclear fuel and facility exports (and not to exports of nuclear components, technology, and dual-use items on the nuclear referral list), its effect is to make U.S. nuclear export controls uniform.

Section a. (1) lists the existing export licensing activities which are to be subjected to the restrictions established under paragraph 2, as follows: A.) dual-use items controlled under the nuclear referral list established pursuant to the Export Administration Act of 1979 because their significance for nuclear explosive purposes or the likelihood of their being diverted for such purposes; B.) nuclear materials (e.g., plutonium) or nuclear facilities (e.g., nuclear powerplants) whose export is licensed by the NRC; C.) retransfers to any non-nuclear weapons state of dual-use items, nuclear materials, or nuclear facilities; and D.) nuclear technology transfers requiring the authorization of DOE.

Section a. (2) sets forth the conditions which must be met before the activities listed in paragraph (1) are permitted, as follows: A.) the non-nuclear-weapon state involved maintains International Atomic Energy safeguards on all its peaceful nuclear activities; B.) the export is under the terms of an agreement for cooperation arranged pursuant to the terms of Section 123 of the Atomic Energy Act of 1954; C.) notice of the proposed export, retransfer, or activity is published in the Federal Register not less than 15 days before the license, approval, or authorization becomes effective.

Section a. (3) provides that nothing in this subsection shall preclude an export, retransfer, or activity for which a general license or general authorization has been granted.

Section a. (4) defines "non-nuclear-weapon state" to mean a non-nuclear-weapon state within the meaning of the Nuclear Non-Proliferation Treaty.

Subsection b: prohibits the issuance of any NRC license for the export of highly-enriched uranium (defined as uranium enriched to greater than 20 percent U-235), subject to a limited exception that until the end of 1995, the NRC allow such exports for use in reactors which the NRC has determined cannot feasibly be converted to use low-enriched uranium. This prohibition is particularly important because, as exemplified in the case of Iraq, possession of HEU pose immediate and high proliferation risks. The exception allows a temporary grace period for continued exports to reactors that cannot convert to use of low-enriched uranium.

Subsection c: provides that the President shall, as soon as possible after the enactment of this Act, undertake international negotiations with those foreign nations which participate in the Nuclear Suppliers Group. These negotiations would be aimed at the adoption of multilateral controls restricting nuclear exports (including dual-use nuclear items or related technical data, nuclear materials, nuclear facilities, and nuclear technology transfers and retransfers of nuclear materials, facilities or dual-use nuclear items or related technical data) to countries which do not adhere to the full-scope safeguards requirement, prohibiting commerce in highly-enriched uranium, and halting all nuclear trade with countries which pose significant risks to regional and/or global peace and security. It also provides for negotiations to assure that the London Suppliers Group is an adequate forum in which to raise and resolve questions concerning the consistency of proposed exports with such principles. This initiative recognizes that international cooperation is essential to the ultimate effectiveness of nonproliferation efforts.

Subsection d: This Subsection would subject foreign persons (e.g., foreign individuals or companies) who knowingly export nuclear facilities, materials, equipment or technology in contravention of the international nuclear non-proliferation controls adopted pursuant to subsection d to trade sanctions for a period of not less that 2 years. These sanctions would bar them from receiving any nuclear exports from the U.S. and from shipping any goods (either nuclear or non-nuclear) to the U.S. Such provisions will ensure that, for the first time, international sanctions for violation of nuclear non-proliferation norms will be meaningful.

Subsection d(1) directs the President to prohibit the export from the U.S. to foreign individuals or companies of all nuclear facilities, materials, equipment, and technology and to prohibit the importation into the U.S. of all products produced by that foreign person (both nuclear or non-nuclear) if that foreign person knowingly exports, transfers, or otherwise engages in, conspires to engage in, or facilitates the export transfer or trade of any nuclear facilities, materials, equipment, or technology in contravention of the international nuclear non-proliferation controls established pursuant to subsection d.

Subsection d(2) specifies that the sanctions provided for in subsection e(1) do not apply to any export, transfer, or trading activity that is authorized by the laws of a nation participating in the Nuclear Suppliers Group and adhering to all measures adopted pursuant to the Group's international proliferation controls, unless such an authorization was obtained by misrepresentation or fraud.

Subsection d(3) prevents the sanctions provided for in subsection e(1) from being applied in cases where a nation participating in the Nuclear Suppliers Group is taking judicial or other enforcement action against that person with respect to their activities or if that person has been found to be innocent of wrongdoing by the government of a nation participating in the Nuclear Suppliers Group.

Section d(4) allows agencies to issue, in consultation with the Secretaries of Defense and State, advisory opinions to any person who requests such an option as to whether a proposed activity by that person would subject that person to sanctions. The section further provides that any person who relies in good faith upon such an advisory opinion (indicating that the proposed activity would be permissible) would not be subjected to sanctions for engaging in the activity.

Section d(5) requires the President to notify the Congress not later than 15 days before imposing the sanctions required under this subsection.

Section d(6) provides definitions of the terms "foreign person", "United States person", "person", and "otherwise engaged in the trade of".

Section e provides for trade sanctions against any foreign nation or group of nations (as opposed to individuals or companies), whether or not they are participants in the Nuclear Suppliers Group, if the President determines that the foreign nation or group of nations has: 1.) permitted any nuclear-related export or retransfer to, or activity in, any non-nuclear-weapon state which had

failed to accept full-scope IAEA safeguards as a condition of nuclear supply, authorized the export of highly-enriched uranium under conditions less stringent than those imposed by the U.S., or 3.) has permitted any nuclear-related export or retransfer to any non-nuclear-weapon state which the President determines to be inimical to the common defense and security. The trade sanctions to be imposed would bar both nuclear trade with the offending nation and the importation into the U.S. of some or all of the articles produced or grown in the offending nation.

SECTION 4. NEGOTIATIONS.

This section amends Section 203 of the Nuclear Non-Proliferation Act of 1979, which directed the President to undertake nuclear non-proliferation negotiations with other nations to mandate negotiations to significantly upgrade the International Atomic Energy Agency (IAEA) safeguards system to assure that it provides an effective mechanism for detection and deterrence of nuclear proliferation. In the wake of the Iraq war, it is clear that such an enhancement of the international safeguards regime is necessary to avoid situations in which nominal NPT parties may effectively pursue a nuclear weapons program without being subject to meaningful restraint under the IAEA system.

Section 4(1) makes certain technical and conforming changes in Section 203.

Section 4(2)(b) provides that in order to improve significantly the effectiveness of the safeguards of the IAEA, the United States shall seek to negotiate with other nations and groups of nations, including the IAEA Board of Governors and the Nuclear Suppliers Group to: 1.) end the unnecessary secrecy of inspection arrangements and results; 2.) improve the access of the IAEA within nuclear facilities that are capable of producing, processing, or fabricating weapons-capable nuclear materials; 3.) facilitate the exercise by the IAEA of its right to conduct special inspections of facilities that are capable of producing, processing, or fabricating nuclear weapons materials, including facilities in which nuclear materials may not have been introduced and declared to the IAEA; 4.) facilitate the IAEA's efforts to meet and maintain its goals for detecting diversion of nuclear materials; 5.) apply IAEA safeguards to tritium and natural uranimum concentrate and increase the scope of such safeguards on heavy water; and, 6.) provide the IAEA with the additional funds, technical assistance, and political support needed to carry out this subsection.

Section 4(c) requires the President to submit a report to Congress six months after the date of enactment of this Act, and annually thereafter, on the progress that has been made and the obstacles that have been encountered in seeking to meet the objectives set forth in subsection (b).

THE 50TH ANNIVERSARY OF EXECUTIVE ORDER BANNING EMPLOYMENT DISCRIMINATION

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. EDWARDS of California. Mr. Speaker, on June 25, 1941, 50 years ago today, President Franklin Delano Roosevelt took the historic step of signing Executive Order 8802, banning employment discrimination by the Federal Government and in defense industries.

President Roosevelt signed the Executive order following intense lobbying led by labor leader A. Philip Randolph, the founder and long-time president of the Brotherhood of Sleeping Car Porters, and other civil rights leaders.

The Executive order proclaimed:

That there shall be no discrimination in the employment of workers in defense industries or government because of race, creed, color, or national origin * * * [and] it is the duty of employers and of labor organizations * * * to provide for the full and equitable participation of all workers in defense industries, without discrimination. * * *

Signing of the Executive order was the first significant breakthrough against discrimination since Reconstruction. In the years that followed, our Nation took further steps to make America a fairer and more just place, with additional Executive orders, then by enacting the great omnibus Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968. But it was with the stroke of the mighty Presidential pen that President Roosevelt began our Nation on the path toward providing civil rights for all Americans.

Our civil rights laws are the shining jewels in the American crown, admired and emulated by countries and people throughout the world. Fifty years ago today, President Roosevelt's Executive order marked the first step of the modern civil rights era.

I hope that by year's end, that Congress will enact the Civil Rights Act of 1991, to restore much of the strength of the 1964 Civil Rights Act. By doing so, Congress will honor the legacy of A. Philip Randolph and the Executive order of President Roosevelt.

BRAVE AND COURAGEOUS ACT

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. COSTELLO. Mr. Speaker, I rise today to make my colleagues aware of a brave and courageous act which took place along the Mississippi River near St. Louis, MO, earlier this month.

Officer Jim Cavins, a policeman and volunteer fireman from O'Fallon, IL, acted above and beyond the call of duty to save the life of another human being.

As a man stood on the Poplar Street Bridge and threatened to jump into the fast-moving current of the Mississippi River, local police were able to talk him down from the bridge. While backing down the structure, he accidently slipped and fell into the Mississippi.

A media helicopter heard the call for police assistance and flew to the area to assist in any way possible. Officer Cavins was aboard. The helicopter was able to successfully hover over the man as Cavins reached into the river and pulled him to safety.

Because of this act of bravery, Officer Cavins has received a Medal of Valor. I ask my colleagues to join me in recognizing this hero today as we salute the efforts of Jim Cavins.

RAHALL APPLAUDS THE "TOP 12"

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. RAHALL. Mr. Speaker, the season for graduation has arrived once again. It gives me great joy to see the fine, young graduates who are the future leaders of West Virginia and this country. I would personally like to commend the top 12 students of the 1991 Class of Man High School.

This group of 12 is composed of 10 valedictorians, one salutatorian, and one historian. I praise these students for their remarkable achievements in academia, as well as their various extracurricular activities. I also compliment the strong leadership qualities that they posses, qualities which are essential to our country's future.

The 10 valedictorians, all with 4.0 grade point averages, were Sabrina Lynn Duba, Crystal Lea Heatherman, Lori Nicole Justice, Robert Lee Lewis II, Beverly Lynn Nutter, Anna Marie Perry, Randi Renee Samson, Panaithep Albert Srichai, Panayu Robert Srichai, and David Shelby Williams.

Salutatorian Leah Michelle Elkins and Historian Elbert Davis completed the array of honor students.

Congratulations to each one of these graduates, and I wish them much success with all their future goals and aspirations.

IN SUPPORT OF THE MANZANAR NATIONAL HISTORIC SITE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. MATSUI. Mr. Speaker, I urge my fellow Members to add their support to establish a national historic site at Manzanar, one of the World War II Japanese-American relocation camps. All that remains at this barren site are an auditorium, a sentry house, and other minor buildings.

But the memory remains for over 100,000 Japanese-Americans who were imprisoned at Manzanar and other internment camps. No historical basis has ever been found to justify the charges of sabotage and espionage. Yet these Americans suffered this unfair treatment and dishonor gracefully. In the arid desert, gardens and trees were planted to try and make this prison into a home. These internment camps became the microcosm of American society at large. Japanese-American internees organized baseball teams, Boy and Girl Scout troops, dance orchestras, and followed the news of the war with the same concern as other Americans.

As leaders of this country, we cannot forget the mistakes of our past. The memory of this horrible injustice should not be allowed to fade, and we should honor the memory of the internment by allowing future generations to visit the Manzanar Camp site and cherish the value of freedom.

CONGRESSMAN KILDEE HONORS BILL SKREPNEK

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. KILDEE. Mr. Speaker, I rise today to bring to the attention of my colleagues in the House of Representatives a reception and banquet that will be held on Saturday, June 29, in Flint, MI, to honor Brother Bill Skrepnek. Brother Skrepnek has been elected most worshipful grand master by his fellow members of the Michigan Grand Lodge of Free and Accepted Masons.

Historically, the Masonic organization arose from the guild of practicing stone masons. Masons of today need not be stone workers, but must possess the spirit of good will inherent in the Masonic organization. In modern times, the Masons' tradition of pride in craftsmanship has translated into a desire to build a better community. The Free and Accepted Masons compose a fraternal organization which advances philosophical ideals such as patriotism and equality. Brother Skrepnek certainly exemplifies the Masons' humanitarian goals.

Brother Skrepnek has resided in the Flint area since 1945 and has worked for Buick Motor Co. since 1954. He has served both his State and his country in the Michigan National Guard and the U.S. Air Force. Brother Skrepnek's involvement in numerous civic and youth groups has made him a well-respected community figure. In addition to his 28 years of membership in Flushing Lodge 223 F&AM, Brother Skrepnek has participated in countless groups affiliated with the Masons. The Flushing lodge is honored to have one of its members selected as grand master of the 441 lodges and 81,000 Masons in the State of Michigan.

Mr. Speaker, I ask my colleagues in the U.S. House of Representatives to join me in commending Brother Bill Skrepnek on the occasion of his election as worshipful grand master. Brother Skrepnek has garnered tremendous respect through his admirable dedication to the Masons and his selfless involvement in community work. I believe the Free and Accepted Masons of Michigan made a fine choice when they appointed a grand master who truly embodies the ideals for which their organization stands.

SALUTE TO FATHER JUBANI, A BRAVE SURVIVOR OF ALBANIAN DEATH CAMPS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. BROOMFIELD. Mr. Speaker, recently I had the opportunity to meet with Fr. Simon Jubani, a Catholic priest imprisoned for many years under the Communist dictatorship in Albania. As that once closed nation sets sail on the rising tide of democracy, the sacrifices and dedication of men like Father Jubani in the face of terrible oppression must not be forgotten.

For 26 years Fr. Simon Jubani was held in an Albanian prison because he refused to deny his religion. Confined to a small room with other victims of the repressive regime, he was beaten and endured horrible conditions. His brother, also a Catholic clergyman, was poisoned by prison officials. Father Jubani survived and was finally freed in 1989. Today, Albania is also being freed from communism.

Last week, Secretary of State Baker visited Albania, which had been isolated from the outside world for over four decades. A cheering crowd of 300,000 welcomed him with open arms and swarmed over his motorcade. Mr. Baker urged Albania to move forward toward democracy and offered $6 million in assistance. I encourage the administration to continue to help Albania move toward democracy.

Just as Father Jubani's long nightmare ended, let us hope that Albania's long, sad night will pass this year with the victory of freedom over the forces of darkness.

I commend the following May 17 Michigan Catholic article about Father Jubani's ordeal to my colleagues.

[From the Michigan Catholic, May 17, 1991]

HERO'S WELCOME FOR JAILED ALBANIAN PRIEST: HE SURVIVED 26 YEARS OF TORTURE, HARDSHIPS

(By Robert Delaney)

BIRMINGHAM.—Fr. Simon Jubani, who was imprisoned 26 years and repeatedly beaten for his faith by Albania's Communist rulers, received a hero's welcome from metro Detroit's Albanian-American community last weekend.

Thousands of Albanian immigrants and Americans of Albanian descent turned out to hear the priest who last November celebrated Albania's first public Mass in decades.

And they responded to his call for financial help to rebuild the church in their homeland by contributing more than $170,000 during the two-day visit.

Fr. Jubani was feted at a Saturday night banquet in Warren and then said Mass on Sunday to capacity crowds at both St. Paul Albanian Parish in Warren and Our Lady of Albanians Parish in Birmingham.

Imprisoned in January 1964 by the hardline Communist regime for his defiant insistance on practicing his faith, Fr. Jubani spent 26 years in a cell measuring almost 12 feet by 24 feet with about 30 other men.

"Conditions were under the treatment of an animal. We were packed in one room, as the sardines in the can. We were without beds, and had only the bare floor on which to sleep. Many people killed themselves in despair," explained Fr. Jubani, who taught himself English in prison.

He and his fellow prisoners were allowed out of the cell three times a day to shave and take care of their personal hygiene, but otherwise "in the same chamber we slept, ate and went to the restroom, he said.

Yet, despite the certain knowledge that any act of defiance was met by beatings, he persevered—saying Mass in his cell for his fellow prisoners every Sunday and protesting the regime's oppression of the Albanian people.

"I spent my time writing letters to the president of Albania, Enver Hoxha, and for that I was singled out hundreds of times," Fr. Jubani said.

The dictator's response was to extend his sentence and order harsher treatment. Still, though he would be bound hand and foot and beaten, Fr. Jubani survived. Many of his fellow prisoners did not, due to the brutality of the guards.

"Around the prison, there were 400 graves of people they'd killed," father said.

And his own brother, who was poisoned in 1982, was among the dozens of Catholic priests murdered.

Of all the Communist regimes of Eastern Europe, the Albanians were the most thorough in their attempt to stamp out religion. In 1967, at the urging of the Chinese, the Hoxha regime forbade all religious observances and went so far as to conduct house-to-house searches for religious objects.

"To explain how we preserved our faith, I remind you that we survived five centuries under the Muslim Turks by living in caves and mountains. When the Communists arrived, we were almost immune against persecution," Fr. Jubani said.

After Hoxha died in 1985, there was hope that conditions would improve, but change was slow in coming. Then came April 1989—the year of perestroika—and the pleas of Pope John Paul II, Mother Teresa and Amnesty International were finally heeded by the Albanian regime.

Fr. Jubani, who still had almost 20 years of his sentence left to serve, was freed along with other imprisoned Albanian priests. As he put it, "Perestroika interrupted my prison term."

At 65, Fr. Jubani is the youngest of the remaining Catholic priests in Albania.

Perhaps fearing an uprising like the one that toppled the Ceausescu regime in Romania, the Albanian Communists have eased up on many of their harshest laws and now allow religious freedom. Fr. Jubani played a major role in this breakthrough when last fall he said Mass for some 50,000 people in a devasted Catholic cemetery protected by thousands of Catholic youth.

Fr. Jubani says Albanian Catholics should forgive those who persecuted them, but must never forget what happened or it may happen again. He is skeptical of the motives of Albania's rulers and urges the United States to only agree to better relations with his country if certain conditions are met.

It's not that Ramiz Alia and the others in charge now had a change of heart, but once the rest of Eastern Europe began dismantling its Communist system, Albania could no longer survive without trade and contacts with the West, Fr. Jubani said.

Fr. Jubani urged that America link improved diplomatic and trade relations to four conditions: open borders, restoration of full freedom of religion, introduction of a free-market economy, and full renunciation by the Albanian government of its programs and methods of education, economic controls and political controls.

NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. MARKEY. Mr. Speaker, for years, thousands of dedicated, professional public safety telecommunicators have answered our calls for police, fire, and emergency medical services. They have dispatched assistance to put out fires, catch burglars breaking into our homes, and provide emergency medical help to families in every one of our districts. These

public safety people are truly dedicated professionals, although the public usually never sees them because they are not physically at the scene.

Public safety telecommunicators are behind the scenes doing their work competently and accurately. Without them, police officers, firefighters, and emergency medical personnel would lack the high quality communications services which are necessary for the variety of public safety services which are vital to the well-being of communities throughout the United States.

The Nation's public safety telecommunicators also work to improve emergency response capabilities through their leadership and participation in training programs and other activities provided by the Associated Public-Safety Communications Officers [APCO]. APCO is an association of nearly 9,000 people engaged in the operation, design, and installation of emergency response communications systems, including 911, for Federal, State and local government agencies.

For far too long public safety telecommunicators have gone without proper recognition. Their job is one the public seldom notices, but one that saves lives every day. The joint resolution I have introduced today will establish a National Public Safety Telecommunicators Week for the second week of April each year. It is time that we show our appreciation for the people who work in this essential and growing field.

I believe that it would be most appropriate for us to establish a National Public Safety Telecommunicators Week to honor telecommunicators as the true professionals and lifesavers that they are. As an example of the type of services provided by telecommunicators throughout the United States, I commend to my colleagues' reading a recent article describing the efforts of Susan Nealsey-Kratz, a police technician in Maryland. The article vividly illustrates the crucial role played by telecommunicators in difficult emergency situations. I urge my colleagues to join me in cosponsoring this legislation.

[From the Montgomery County (MD) Journal, Apr. 5-7, 1991]

DIALING BEYOND THE CALL OF DUTY—DISPATCHER WINS HONORS FOR TALK WITH RAPE VICTIM

(By Mary-Ellen Phelps)

The sounds on the tape are chilling.

They are of two women talking on the telephone—talking, it would seem, about ordinary things. But what an outside listener would not know about this taped conversation is that it is a matter of life and death.

It is a call between a police dispatcher and a rape victim whose attacker is sitting in the room with her.

And it is now a call that has won the dispatcher a state award.

On the night of Dec. 26, 1990, a Silver Spring man called home to discover that his wife was in trouble when she gave him the impression she was not alone. He called the county Emergency Communications Center in Rockville.

The victim's quick thinking and a police technician's level-headedness played vital roles in the arrest of Harry Baker, 28, of Landover, communications officials said. County police charged Baker with raping the victim, whose identity is being withheld to protect her, in front of her young son, robbing her and burglarizing her apartment.

Although Police Technician II Susan Neafsey-Kratz already had dispatched police to the home at the husband's request and did not need to talk with the victim after the husband's call that night, she decided to check on the woman anyway.

During a five-minute call, she learned that the woman, her son and her attacker were in the living room, that the attacker had a gun and was alone. The victim answered Neafsey-Kratz's calmly placed questions as if she were answering a friend's queries.

"Is it someone you know" in the apartment? the dispatcher asks.

"No, yeah, the flight was good."

"Are they armed?"

"Yeah, we had a great trip."

"Do they have a gun?"

"Yes—yeah, he got so many presents . . . Did you have a nice holiday?

"Listen to me, you hear those sirens?"

"Yes."

"They're coming to your house."

Neafsey-Kratz, 33, said she did not know what was happening to the woman while she was talking to her. She spent the time trying to think of "yes-no" questions to ask her. She also had her describe the room she was sitting in so police would know where the suspect was.

I don't think I had time to be nervous. I knew that something was going on," Neafsey-Kratz said yesterday. After she hung up, "I turned and looked at the person next to me and said, 'Bonnie, I don't believe this.'"

Later this month, Neafsey-Kratz will go to Dover, Del., to pick up her award as Maryland Telecommunicator of the Year for her performance on the Dec. 26 call.

Neafsey-Kratz, who has worked at the Emergency Communications Center since December 1988, was selected for the Associated Public-Safety Communications Officers telecommunicator award from a field of 911 nominees of about 14 or 15.

Neafsey-Kratz's performance was "absolutely outstanding," said Sharon Lechowicz of APCO's Mid-Eastern Chapter.

She won the award for her "level of professionalism, the manner in which she handled an extremely stressful situation and talked the victim through it, never compromised the victim."

The information she obtained was "essential of officer safety," Neafsey-Kratz said.

County Police Communications Director Theodore I. Weintraub praised both Neafsey-Kratz and the victim.

Neafsey-Kratz "shouldn't only be considered as telecommunicator of the year, but telecommunicator of the decade," Weintraub said. "She would have fulfilled her responsibilities after having talked to the husband and just sent a police car," Weintraub said.

The victim, he added, "did a better job than Miss Kratz and I love the job Miss Kratz did."

Neafsey-Kratz also praised the woman who was followed into her apartment by the man police say attacked her.

"She's a very, very brave woman . . . she's the reason she and her son are alive," Neafsey-Kratz said. She said she has not spoken to the woman since Dec. 26.

Baker is being held in the county Detention Center without bond, a jail spokeswoman said. He is scheduled for a June 17 county Circuit Court trial.

FIGHT CRIME, NOT LIBERTY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. EDWARDS of California. Mr. Speaker, very soon, this body will be considering crime legislation. I want to call to the attention of every member the lead editorial in today's New York Times, which urges us to "Fight crime not liberty." In our legitimate desire to create safer streets, we must not repeal the Bill of Rights.

[From the New York Times]

FIGHT CRIME, NOT LIBERTY—THE EXCLUSIONARY RULE NEEDS PROTECTION

Senators are competing with each other and with the Bush Administration to see who can pose as toughest on crime. In coming days the Senate faces a series of separate votes on everything from the Federal death penalty to gun control. Today's scheduled vote is one the so-called exclusionary rule, a bulwark for liberty that is under attack by those waving the tough-on-crime banner most fiercely.

The exclusionary rule was devised by the Supreme Court back in 1941 as the best way to enforce the Fourth Amendment's ban on unreasonable searches and seizures. Crude but never improved upon, the rule requires the courts to throw out illegally seized evidence as a deterrent to misconduct by law officers enforcing the law.

With increasing success, and with increasing danger to the Bill of Rights, the Reagan and Bush Administrations have argued in court and in Congress to water down the rule.

This year's Administration crime bill would allow the use of illegally seized evidence when Federal agents have conducted searches without a warrant in the "good faith" though mistaken belief in the legality of their conduct. Not content with the Supreme Court's recent exception for honest reliance on a warrant that later proves technically defective, the Administration now wants the exception broadened to searches where Federal agents didn't even bother to seek a warrant.

That's encroachment enough on Fourth Amendment safeguards, but the Administration hasn't finally ruled out asking for even more: a "firearms" exception that would admit weapons in evidence even when seized without a trace of honest belief that probable cause existed for the search.

The best hope for liberty is the plan by Joseph Biden, chairman of the Judiciary Committee, to codify recent Court alternatives to the rule.

Encouraging random searches might solve a few more crimes but at an unacceptable price for personal liberty. The exclusionary rule has forced police to raise their standards, for the safety and privacy of everyone. Faith in the police is fine, but liberty and law are best preserved by reliance on the Constitution and the vigilance of courts to see that police closely adhere to it precepts.

TRIBUTE TO SKIP HENNESSY

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. COSTELLO. Mr. Speaker, I rise today to pay tribute to a constituent of mine, Mr. Thomas Francis Patrick Hennessy, Jr., of Belleville, IL, known to many of his friends as "Skip."

Skip Hennessy was born on June 25, 1916 in Kirkwood, MO, to Thomas F. Hennessy and Anita Griffin Hennessy. When Skip was 5, the family moved to East St. Louis, IL, in my congressional district, following his father's death. It was there that Skip was raised by his mother, his grandparents, and his uncle, Emmett P. Griffin.

In East St. Louis, Skip attended elementary school at St. Patrick School, and high school at Central Catholic. After graduating from high school, Skip bravely served his country as a Navy pilot in World War II.

After his service in the Navy, Skip married Helen Jean Sims on January 29, 1949. Skip and Helen have two successful children: Thomas P. Hennessy III, an attorney for the firm of Thompson and Mitchell in Belleville, IL; and Carole Sims Hennessy Martz, who is a nurse in Chicago. Carole, and her husband Michael, have two daughters which adore Skip as well: Caroline, 9, and Brigid, 7.

In addition to being a life-long member of the Democratic Party, Skip has also been active in a variety of community service organizations, including the Exchange Club, the Veterans of Foreign Wars, the Moose Lodge, the Hybernians, and the Knights of Columbus. Skip was also the first president of the East St. Louis Junior Chamber of Commerce.

Recently, Skip has served St. Clair County as a member of the St. Clair County Public Building Commission, serving on that board since his appointment on October 1, 1990.

My colleagues, throughout his life Skip Hennessy has been a good and trusted friend to many, and has tried to make his community a better place to live. On this day, I want to recognize how much we appreciate Skip Hennessy's kindness and generosity, and wish him and his family the very best.

VOLUNTEERS: MAKING IT ALL POSSIBLE AT THE BECKLEY, WV, MUSEUM

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. RAHALL. Mr. Speaker, Beckley residents Sue Soto and Bettie Harmon both deserve congratulations from all of us who enjoy the many joys of museums. Both were recently awarded the New River Park's second annual Volunteers of the Year Award. These two generous women realize that to keep certain functions in operation, such as the Southern West Virginia Youth Museum to which they both donate their time, it is necessary for people to lend a hand.

Sue Soto, a former school teacher, works mostly at conducting tours and promoting the museum, although she also volunteers for other tasks when needed. Bettie Harmon is retired from Eastern Associated Coal Corp., and uses her valuable secretarial skills to help keep track of membership records at the museum.

These two volunteers, along with the rest of the nonpaid work force performing similar roles, have helped to increase the appeal of the Beckley, WV, museum and the city of Beckley as a whole. But neither Mrs. Soto nor Mrs. Harmon think of their efforts at the museum as work. They both enjoy what they do and are glad to help out. As Mrs. Soto said, "I feel if I can touch somebody's life today, and they touch somebody else's life tomorrow, I can sort of live forever." If only we all approached life with this attitude, what a different world this would be.

Congratulations Sue Soto and Bettie Harmon for being admirable citizens and for stepping forward to volunteer when needed. I commend you and all other volunteers—role models for us all.

CALIFORNIA NUTS GO TO SOVIET UNION

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. MATSUI. Mr. Speaker, almond exports from California are a major source of revenue for the United States and for California. Almonds have been exported to the Soviet Union for over 20 years now, and in fact during that time the Soviet Union has often ranked as one of the top five export destinations from California.

The people in the Soviet Union have obviously long enjoyed almonds from California. Most notably, almonds are exported to the Soviet Union for Christmas trade and are a traditional holiday treat. I would like to think that the ongoing purchase of almonds from California, and particularly for good cheer at Christmas time, has brought the Soviet people and the American people closer together.

The President has recently used the GSM–102 Program to extend $1.5 billion in credit to the Soviet Union. The Soviet Union is an important buyer of American agricultural products and this credit extension will enable the Soviets to continue making their purchases from the United States.

It is my understanding that, of the $1.5 billion, the Soviets will request to use $50 million of this credit to purchase almonds. It is very much hoped that the Soviets will proceed with this purchase and that the $50 million in credit will be granted to them for it. Not only do I support the continued export of almonds, but I also hope that through an overall successful trading relationship with the Soviet Union, both our countries can achieve a lasting peace.

A POEM IN HONOR OF OUR VIETNAM VETERANS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. KILDEE. Mr. Speaker, I would like to take this opportunity to share with my colleagues in the U.S. House of Representatives this moving poem by Ms. Jackie Hallett of Birch Run, MI. Ms. Hallett's poem to our Nation's Vietnam veterans was read at the recent dedication ceremony for the new Vietnam Veterans Memorial Park in downtown Flint, MI. Although the park itself is dedicated to the memory of those who fought in Vietnam, the dedication ceremony was an opportunity to honor veterans of all America's wars, as well as to welcome home our most recent veterans from the Desert Storm conflict.

Mr. Speaker, I am very pleased that those who served so well and bravely in the Persian Gulf have not had to wait years for the public expression of our Nation's gratitude for their efforts and suffering. I only regret that our veterans from the Vietnam war had to wait so long for the proper recognition of their sacrifices:

AN OPEN LETTER OF APOLOGY—VIETNAM VETS

(By Jackie Hallett)

Let's go back and remember another war, another time,
Where all of our Vietnam heroes are suspended in time.
How much do we owe them, our heroes, who fought, and those who died?
They fought another war when they came home,
Because of hurt feelings and pride.
With your one hand tied behind you,
You fought bravely, followed orders, and yet,
No arms were ever held open, to Welcome Home our Vietnam Vets.
We were all so very young back then, not realizing the "Hurt" the war caused you.
Little did we understand, the "Hell" that you went through.
How long would it take to say we Love You,
And how sorry we all are?
Multiply eternity by forever, and let us line up and count each and every star.
Give us time to empty the oceans, so blue,
One drop at a time,
And move the sands from all the deserts,
One grain at a time.
We'd only be just beginning, to give back what we owe you.
You showed America you Loved her,
Fighting to keep Communism from our shores.
You fought a very brave fight,
And this we Thank You for.
America will grieve forever, because of the hurts and hostilities you met.
She is holding her arms out to you now,
As she would for her child's first steps,
And cries with the anguish of a mother, embracing her Vietnam Vets.
We all have to remember, and we do with much regret,
Knowing your hearts are forgiving.
We Love and Thank You, our Heroes, our Vietnam Vets.

With Love, America.

THE UNIVERSAL HEALTH CARE ACT OF 1991

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. DOWNEY. Mr. Speaker, I would like to add my voice to the growing chorus of support for H.R. 1300, the Universal Health Care Act of 1991, which was introduced by my respected colleague on the Ways and Means Committee, and a good friend, the Honorable MARTY RUSSO of Illinois. As an original cosponsor of this landmark proposal, I want to applaud my colleague for his vision and his determination to make good health care a reality for all Americans.

The goal of Mr. RUSSO's proposal is a simple one: To provide quality health care at a reasonable cost. His legislation will accomplish this by substituting a single, publicly administered program for the more than 1,500 private insurance programs that now exist. Under this bill, every American would be entitled to hospital and physician care, long-term care, prescription drugs, preventative care, dental care, and mental health services with no copayments or deductibles. Individuals would still be able to choose their own physician or source of care.

Most importantly, the overall savings for average Americans would be dramatic. It is estimated that senior citizens will save $33 billion, while nonelderly will save $25 billion.

Why is the Russo universal health care proposal so important? The answer is that the United States is currently spending more on health care than any other country. Yet despite this unparalleled expenditure, the United States ranks 13th in life expectancy and an appalling 24th in preventing infant mortality. This means that a child born in Singapore has a better chance for survival than a child born in the United States. In other words, we are paying more for less health care and this simply does not make sense.

The human consequences of this are apparent. More than 35 million Americans are without health insurance and millions more are underinsured. As a result, many Americans are denied care or they are forced to delay care. Others will face a financial catastrophe because of unexpected health costs.

There are those who will argue that universal health care is unrealistic and will never happen in the United States. To these critics I simply say, come to Long Island. Everywhere I travel in my district I find people who have no health insurance or inadequate coverage. I meet unemployed workers, victims of the Bush recession, who are out of work without health insurance. Barely able to make ends meet, they are unable to afford health care coverage for their families. I have talked to older Americans whose greatest fear and concern is not having adequate health care if faced with a long-term illness.

And when I tell them about MARTY RUSSO's legislation, they listen carefully and they want to know more about it. They want me to thank Congressman RUSSO for understanding their problems and they want to believe that the Russo proposal will become a reality.

Mr. Speaker, I share the concern of my fellow Long Islanders that the health of our Nation should not have a price tag on it. How long must we wait, and how bad must the situation get, before we catch up with the rest of the industrialized world and adopt a plan for adequate and affordable health care? I join with Congressman RUSSO in responding that we have already waited too long. Now is the time for action. Now is the time to adopt the Russo health care proposal.

Infant mortality rates in selected countries, 1988

[Infant deaths per 1,000 live births]

Japan	4.8
Finland	5.3
Sweden	5.8
Netherlands	6.8
Switzerland	6.8
Singapore	7
Canada	7.2
Hong Kong	7.4
Fed. Rep. of Germany	7.5
Denmark	7.6
France	7.7
Norway	8
Austria	8.1
German Dem. Republic	8.1
United Kingdom	9
Australia	9.2
Spain (1986)	9.2
Italy	9.2
Belgium (1987)	9.7
Israel	10
New Zealand (1987)	10
United States	10

Source: National Commission to Prevent Infant Mortality based on data from United Nations Statistical Office.

NO TERROR COURT FOR THE UNITED STATES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. EDWARDS of California. Mr. Speaker, I want to bring to the attention of my colleagues an editorial from the June 20, New York Times. The editorial criticizes the section of the President's crime bill called "Terrorist Alien Removal." The section allows for a blatant violation of due proces rights in the name of combating terrorist activity. Under the section, an alien in this country, even one here legally, could be arrested, detained, and deported without being able to see the evidence used against him.

If passed, this provision will bring about serious injury to individual lives and our constitutional right of due process. There is no way the notion of secret evidence can be made consistent with fundamental American values. The best response to terrorists is to arrest them and try them in a public trial for criminal acts, not to deport them on the basis of secret evidence, allowing them to commit terrorist acts elsewhere.

I commend the editorial to my colleagues.

[From the New York Times, June 20, 1991]

NO TERROR COURT FOR THE UNITED STATES

If President Bush seriously wonders why Congress hasn't passed his crime bill in 100 days, he might refer to the bill's contents. Tucked away in its 166 pages is a section called "Terrorist Alien Removal," one of many proposals that Congress is wisely ignoring. It would create a flagrantly unjust system for deporting foreigners deemed to have terrorist connections—using secret charges and secret evidence.

Consider how loose is the definition of "terrorist." An alien who raised money for the African National Congress or the Palestine Liberation Organization could be deported without seeing more than a bare outline of the charges, if the Justice Department wanted to call those organizations terrorist. Justice could make a secret arrest and secretly detain the alien while applying secretly for a court hearing.

That hearing would be open, but the Government could offer its evidence in secret and say what parts of it, if any, could be disclosed to the accused. The Government could, if it wished, give the accused a written outline of the evidence—or a document saying that for national security reasons no summary was possible. Should the judge, one of five Federal judges picked for this terror court by the Chief Justice, happen to rule against the Government on any point, the Justice Department could make a swift, secret appeal.

All this is needed, says the Justice Department because the Government must keep its secrets while guarding against terrorism. But Justice hasn't even begun to explain to Congress, in public or private, how giving an accused person the rudiments of due process, as our courts have required, would threaten national safety.

This bill would make the United States look as foolish and unjust as Kuwait does with its postwar kangaroo courts. A hundred days to enact this law? Not in a hundred years.

NATIONAL GEOLOGIC MAPPING ACT OF 1991

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. RAHALL. Mr. Speaker, today I am introducing the National Geologic Mapping Act of 1991. This legislation is desperately needed if our Nation is serious about environmental protection and land-use planning.

It was back in 1963 when a low-level nuclear waste repository was sited in east Kentucky. This was a time when no geologic maps of the area were available. The Maxey Flats nuclear waste site now has been declared a Superfund site with estimated cleanup costs of more than $150 million. The Kentucky geological survey believes that if geologic maps had been available prior to the selection of the site, it is highly probable that this particular area would not have been chosen, and Kentucky and the Nation would have been spared this environmental and economic catastrophe.

The reason for the National Geologic Mapping Act of 1991 is twofold: Congress should not allow a repeat performance of Maxey Flats and State-level demands for geologic maps are not being met by the U.S. Geological Survey, the agency charged with geologically mapping the Nation. The Associaton of American State Geologists, an organization representing the geological surveys of all 50

States, notes that less than 20 percent of the Nation has been mapped at the scale that is appropriate for site-specific requirements, such as land-use planning, utilization and assessment, and environmental protection. This scale, commonly referred to as 1:24,000, enables Federal agencies, State and local governments, private industry and the general public to consider the impact of their activities on the area before the project is initiated. The goal of the National Geologic-mapping effort is to provide complete map coverage of the Nation at a scale of 1:24,000, or appropriate for a specific need, by the year 2010.

For example, the State of West Virginia would benefit greatly from this legislation. The West Virginia geological survey already has identified its geologic mapping priorities should additional funds from the Survey become available. Although West Virginia has been mapped at a variety of scales, less than 10 percent of the State has been mapped at a scale of 1:24,000. The West Virginia geological survey has indicated that the 1:24,000 scale would be most useful to them for purposes of coal resource evaluation in the southwestern part of the State and for preparing for the various needs of the rapidly growing Eastern Panhandle.

Geologic maps are the principal sources of geologic information for nearly all basic and applied earth-science research and decision-making. Geologic maps provide data essential to assessing mineral, energy, and water resources; screening and characterizing sites for toxic and nuclear waste disposal; land-use planning; earthquake-hazard reduction; predicting volcanic hazards; the exploration for and development of minerals; environmental protection; design and construction of infrastructure requirements such as utility lifelines, transportation corridors, and surface-water impoundments, among many other uses. It has been documented that many of the Superfund sites may never have been created had the States possessed and the EPA required geologic mapping of the bedrock, and subsurface contour of these areas.

Although there is a National Geologic Mapping Program in the U.S. Geological Survey, funding for State geologic mapping surveys is a small percentage of the program's total budget. Cooperative funding for the States enables the States to work jointly with the Survey to initiate and complete geologic mapping of the Nation. According to a report issued by the National Academy of Sciences, mapping by the U.S. Geological Survey is very much on the decline. For example, the Survey mapped approximately 400,000 square miles in the 1960's, 250,000 square miles in the 1970's, and 120,000 square miles in the 1980's.

This legislation would establish a National Cooperative Geologic Mapping Program within the Survey. The Survey will be responsible for developing a geologic-map data base which will meet the needs of the States. This data base will be developed in consultation with an advisory committee which will be composed of representatives of the Survey, State geologic surveys, private sector, and academia. The National Cooperative Geologic Mapping Program will include a State geologic mapping component, a Federal geologic mapping component, a geologic mapping support component and a geologic education mapping component. These components, individually funded, will enable the Survey to work with the States and academia to accomplish the goals of the legislation. The authorization levels provided by this legislation are $36.5 million for fiscal year 1992; $42.75 million for fiscal year 1993; $48.50 for fiscal year 1994; and $55.50 for fiscal year 1995.

Mr. Speaker, I am confident that the short-term costs of the National Geologic Mapping Act of 1991 will result in long-term protection of our environment and natural resources. Each State, with few exceptions, stands to benefit from geologic mapping and the program established by this legislation. I urge my colleagues to support the National Geologic Mapping Act of 1991.

TRIBUTE TO DOMINION MIDDLE SCHOOL'S ENERGY EXPO 91 PROJECT

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. WYLIE. Mr. Speaker, the eighth-grade science students of Dominion Middle School of Columbus, OH recently received State and national honors as part of the 1991 National Energy Education Development [NEED] Project Youth Awards Program. Dominion Middle School was chosen as the 1991 School of the Year for having the most outstanding energy education program in Ohio and has been named national champion for having the most outstanding energy program on the junior level in the Nation.

Faculty adviser Hannah Meseroll and eighth-grade student directors, Sacha Rammon and Scott Trinter provided the extraordinary leadership, initiative, and creativity to complete their award-winning project entitled "Energy Expo 91," in the spirit of this year's NEED theme, "Educating For An Effective Energy Strategy."

The Energy Expo 91 project was an interactive endeavor to educate the students and the public on energy technology through the use of well-planned workshops, classroom activities, various student exhibits, and the performance of an evening play for parents entitled "The Incredible Energy Tales." As a part of their project, the students made rock videos by changing the lyrics of popular songs to highlight facts about an energy topic. The songs included "Oil Wells" and "Take Me Out to the Coal Mines," both of which are takeoffs on Jingle Bells and Take Me Out to the Ball Game, respectively. They also developed "The Name Game" which required their fellow students to identify and research an aspect of science beginning with the letter of their first name.

By participating in the NEED Project, the eighth-grade students at Dominion Middle School have had the chance to express their individual talents and creativity and develop their analytical abilities. At the same time, they sought to make us all aware of the need to efficiently utilize our Nation's energy resources and focus on such important issues as conservation and recycling.

May I commend these industrious students and their dedicated adviser for this truly exceptional achievement. They serve as an inspiration of all students and teachers that hard work and diligence does indeed payoff.

LEGISLATION CLOSING TAX LOOPHOLES

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. DONNELLY. Mr. Speaker, I am introducing legislation today to close two tax loopholes taken advantage of by the movie industry. For too long, movie producers have benefited from tax breaks available to no other taxpayer, and it's time to put an end to these loopholes for those multiplus million dollar corporations.

Loophole No. 1 centers around the use of the income forecast method of depreciation. Taxpayers are able to manipulate their estimate of future income to increase their allowable depreciation deductions in the current tax year. Under present law, there is no method of recapturing the foregone tax revenue.

Mr. Speaker, if any of our constituents ever, in their wildest imagination, underestimated their income and then tried to avoid paying interest on the outstanding tax liability, the IRS would come after them with a vengeance. Not so with movie producers; there is no requirement that interest be paid on tax underpayments based on use of the income forecast method of depreciation. My bill would change that.

Loophole No. 2 deals with movie producers which set up foreign subsidiaries to control distribution rights to a film in a foreign market. Because of the complex set of foreign tax rules defining foreign personal holding company income, the royalties paid to the foreign subsidiary may escape current U.S. taxation. My legislation ends this abuse as well, by treating such royalties as subpart F income subject to current U.S. tax. I might add, Mr. Speaker, that this provision was adopted by the Committee on Ways and Means and the full House of Representatives as part of the Tax Reform Act of 1986.

Mr. Speaker, we have an obligation to our constituents to assure tax fairness. My legislation takes an important step in that direction, and I urge support for it.

TECHNICAL DESCRIPTION OF TAX LEGISLATION CLOSING TAX LOOPHOLES AFFECTING MOVIE PRODUCERS

SECTION 1. RECOMPUTATION OF DEPRECIATION COMPUTED UNDER INCOME FORECAST METHOD

Present Law

Taxpayers may claim depreciation deductions for the costs of assets used in a trade or business, or for the production of income. In general, the costs of producing intangible assets (such as a film or video tape) may not be depreciated using the accelerated cost recovery system method of depreciation.

The Internal Revenue Service has ruled that films and videotapes may be depreciated using the "income forecast" method

of depreciation (*see, e.g.*, Rev. Rul. 60-358, 1960-2 CB 68, amplified by Rev. Rul. 64-273, 1964-2 CB 62). The Courts have generally upheld this depreciation method (*see e.g., Abramson* v. *Commissioner*, 86 T.C. 360).

Under the income forecast method, the cost of producing an intangible asset is multiplied by a fraction, the numerator of which is the income for the year from the asset, and the denominator of which is the total estimated income to be derived from the asset. If a taxpayer (such as a motion picture producer) under-estimates total income, depreciation deductions may be artificially high.

Present law does not contain a "recapture" or "look-back" method for the income-forecast method of depreciation.

Explanation of Proposal

Under the bill, taxpayers determining a depreciation deduction using the income forecast method of depreciation would be required to pay (or receive) interest based upon a look-back method of re-calculation of depreciation.

The look-back method would be applied in any "recomputation year" by comparing depreciation deductions which would have been claimed using the actual income from the property plus estimated future income from the property, determining the underpayment or overpayment of tax, and applying the overpayment rate of section 6221 of the Internal Revenue Code of 1986.

The term "recomputation year" means the third taxable year after the property is placed in service and any subsequent year if the actual income from the property exceeds the sum of the estimate of future income used in the prior recomputation year plus 5% of the actual income used in such prior year.

Effective Date

The provision would be effective for taxable years beginning after December 31, 1991.

SECTION 2. TREATMENT OF CERTAIN ROYALTY PAYMENTS UNDER SUBPART F OF THE INTERNAL REVENUE CODE OF 1986

Present Law

The United States exerts jurisdiction to tax all income, whether derived in the U.S. or elsewhere, of U.S. citizens, residents, and corporations. In the case of income earned by a U.S.-owned foreign corporation, no tax is generally imposed until the income is distributed to U.S. shareholders. This principle of deferral does not apply, however, to "subpart F" income.

Subpart F income is generally passive income of a controlled foreign corporation, and is taxed currently to U.S. shareholders (regardless of whether it is distributed). Subpart F income includes foreign base company income, which in turn includes foreign personal holding company income.

Foreign personal holding company income includes dividends, interest, rents, royalties, and annuities. However, rents and royalties derived by the taxpayer in the active conduct of a trade or business, received by a person not related to the controlled foreign corporation, are not treated as foreign personal holding company income. Thus, under present law, rents and royalties earned from the active conduct of a trade or business is not subpart F income, and not subject to current U.S. taxation.

Under current law, it may be possible for a controlled foreign corporation (CFC) to avoid current U.S. taxation by conducting business in a country outside of the country under the laws of which the CFC is controlled or organized. An example might include a corporation established in the Netherlands to control European distribution rights to a movie produced by a U.S. movie producer. Royalties earned by such a corporation in France, for example, would escape U.S. taxation unless and until the income was repatriated to U.S. shareholders.

Explanation of Proposal

Under the bill, only "same country rents and royalties" derived in the active conduct of a trade or business would be excluded from the definition of foreign personal holding company income. A rent or royalty would only be a "same country rent or royalty" if it was derived from property not developed or produced by, or acquired from, a related person outside the country in which the CFC is organized or received by the CFC for the use of such property within the country of organization.

Effective Date

The provision would be effective for taxable years beginning after December 31, 1991.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RECOMPUTATION OF DEPRECIATION DETERMINED UNDER INCOME FORECAST METHOD.

(A) GENERAL RULE.—Section 167 of the Internal Revenue Code of 1986 (relating to depreciation) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) RECOMPUTATION OF DEPRECIATION DETERMINED UNDER INCOME FORECAST METHOD.—

"(1) IN GENERAL.—If the depreciation deduction allowable under this section to any taxpayer with respect to any property is determined under the income forecast method, such taxpayer shall pay (or be entitled to receive) interest computed under the look-back method of paragraph (2) for any recomputation year.

"(2) LOOK-BACK METHOD.—The interest computed under the look-back method of this paragraph for any recomputation year shall be determined by—

"(A) first determining the depreciation deductions under this section with respect to such property which would have been allowable for prior taxable years if the determination of the amounts so allowable had been made on the basis of the sum of the following (instead of the estimated income with respect to such property)—

"(i) the actual income from such property for periods before the close of the recomputation year, and

"(ii) an estimate of the future income with respect to such property for periods after the recomputation year,

"(B) second, determining (solely for purposes of computing such interest) the overpayment or underpayment of tax for each such prior taxable year which would result solely from the application of subparagraph (A), and

"(C) then using the overpayment rate established by section 6621, compounded daily, on the overpayment or underpayment determined under subparagraph (B).

"(3) RECOMPUTATION YEAR.—For purposes of this subsection, the term 'recomputation year' means, with respect to any property—

"(A) the third taxable year beginning after the taxable year in which the property was placed in service, and

"(B) any subsequent taxable year if the actual income from the property for periods before the close of such subsequent taxable year exceeds the sum of—

"(i) the estimate referred to in paragraph (2)(A)(ii) for the most recent recomputation year with respect to the property, plus

"(ii) 5 percent of the amount referred to in paragraph (2)(A)(i) for the most recent recomputation year with respect to the property.

"(4) SPECIAL RULES.—

"(A) COLLECTION OF INTEREST.—For purposes of subtitle F (other than sections 6654 and 6655), any interest required to be paid by the taxpayer under paragraph (1) for any recomputation year shall be treated as an increase in the tax imposed by this chapter for such year.

"(B) DETERMINATIONS.—For purposes of this subsection, determinations of the amount of income from any property shall be determined in the same manner as for purposes of applying the income forecast method; except that any income from the disposition of such property shall be taken into account.

"(C) TREATMENT OF PASS-THRU ENTITIES.—Rules similar to the rules of section 460(b)(4) shall apply for purposes of this subsection."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after December 31, 1991.

SEC. 2. TREATMENT OF CERTAIN ROYALTIES UNDER SUBPART F.

(a) GENERAL RULE.—Subparagraph (A) of section 954(c)(2) of the Internal Revenue Code of 1986 (relating to rents and royalties derived in active business) is amended to read as follows:

"(A) CERTAIN RENTS AND ROYALTIES DERIVED IN ACTIVE BUSINESS.—

"(i) IN GENERAL.—Foreign personal holding company income shall not include same country rents and royalties which are derived in the active conduct of a trade or business and which are received from a person other than a related person (within the meaning of subsection (d)(3)).

"(ii) SAME COUNTRY RENTS AND ROYALTIES.—For purposes of clause (i), a rent or royalty shall be treated as a same country rent or royalty if—

"(I) such rent or royalty is not attributable to property developed or produced by, or acquired (directly or indirectly) from, a related person outside the country under the laws of which the controlled foreign corporation is created or organized, or

"(II) such rent or royalty is received by the controlled foreign corporation for the use of, or the privilege of using, such property within the country under the laws of which the controlled foreign corporation is created or organized."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years of foreign corporations beginning after December 31, 1991.

IN SUPPORT OF THE SMALL PROPERTY AND CASUALTY INSURANCE COMPANY EQUITY ACT OF 1991

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. MATSUI. Mr. Speaker, I am today joining with my colleague Mr. THOMAS of California in introducing the Small Property and Casualty Insurance Company Equity Act of 1991.

As a Californian, I am painfully aware of the personal and financial hardships that were caused by the massive earthquake in my State in 1989. I also sympathize with those who have been harmed by hurricanes, tornados, floods, and other natural disasters.

While I realize that we cannot control mother nature, we can at least ameliorate some of the financial costs of natural disasters and accidents through property and casualty insurance. We should strive, therefore, for a system where property and casualty insurance is available to those that want it at competitive and reasonable prices.

Competition in the property and casualty insurance industry is clearly enhanced by small insurance companies. Small companies often provide much needed coverage which is otherwise unavailable, particularly in periods of coverage shortages as were experienced in the mid-1980's. Unfortunately, it is often difficult for small companies to earn the surpluses necessary to allow them to grow so as to play their crucial role in the overall insurance market.

The legislation introduced today provides a mechanism to allow small companies to compete. The bill extends to small property and casualty insurance companies the same tax treatment that has been available to small life insurance companies since 1984. Under the bill, small companies with assets of less than $500 million could deduct from insurance company income 60 percent of the first $3 million of insurance company income earned each year. That deduction would decrease by 15 percent of every insurance dollar earned in excess of $3 million until the deduction phased out when insurance income reached $15 million. In determining eligibility for the deduction, small property and casualty insurance companies would be subject to the same rules for determining insurance income and assets as are small life insurance companies.

I am pleased to cosponsor this legislation, and I strongly encourage my colleagues to work for its enactment.

INTRODUCTION OF THE NATIONAL RECYCLING MARKETS ACT

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mrs. COLLINS of Illinois. Mr. Speaker, all across the United States we are running out of places to put our trash. In recent years, 83 percent of our Nation's annual 160 million tons of municipal solid waste has been stuffed in landfills, half of which are expected to be closed by the mid-decade. Landfilling also carries steep economic costs, such as transporting expenses and per-truck disposal fees, with no return on investment.

Recycling, after waste minimization, offers a way out of this crisis. It is rapidly becoming recognized as the most effective, cost efficient and sensible of our municipal solid waste options, with great untapped potential. Among the many benefits of recycling are:

The creation of a cheap source of quality materials to serve as feedstocks for a wide variety of products and packaging;

The effficient utilization of many of our resources;

The avoidance of unnecessary costs to local governments and taxpayers, such as waste truck tipping fees;

The avoidance of substantial amounts of pollution, pollution control costs, and energy consumption;

A reduction of offensive waste facilities near residences; and

The opportunity for America to gain a competitive edge in the international marketplace for recovered materials, recycling technology, and recycled goods, which are still in their infancy.

Unfortunately, obstacles to widespread recycling remain. Principal among these are the dilemma between supply and demand. Much of what is currently collected for recycling winds up in warehouses and even in landfills, due to a lack of buyers. Manufacturers often claim that they would use more recovered materials if only adequate, reliable supplies of high-quality, uncontaminated materials could be found. Waste managers, meanwhile, claim that they would institute more programs to recover recyclable materials if only they could find regular buyers for them. Although many collection programs have been initiated and more manufacturers are utilizing recovered materials, the net result is that recycling is only crawling forward. The key to stimulating demand for recovered materials—for example, paper, plastic, glass, metals, tires, oil, and batteries—is bolstering and stabilizing recycling markets.

Consequently, today, I am introducing the National Recycling Markets Act of 1991—NRMA. The NRMA aims to promote, assist, develop, and stabilize markets for recovered materials—principally paper, plastic, glass, aluminum, and steel—in a variety of ways. It would standardize definitions and grades of materials, increase the flow of information about market prices and opportunities, direct monitoring and reporting on the status of markets, and facilitate the export of nonhazardous recovered materials. It would also offer technical and financial assistance to State and local governments and recycling efforts.

Additionally, the NRMA embraces some of the effective, strong proposals put forth by State and local governments, waste managers, and environmentalists, with variations developed together with industry. Most notably, the bill includes minimum content standards for packaging and certain products which most commonly find their way into the waste stream.

These standards would set a single national standard stipulating that covered items are to be manufactured from specified percents of postconsumer recovered materials. Their principal thrust would be to ensure that packaging and products such as building materials and newsprint incorporate the valuable recyclables that are routinely discarded. This would ensure that recyclable materials would not only be collected and separated, through curbside and other programs, but used as well. These provisions aim to set reasonable, attainable requirements, phased in over a number of years, which industry would find manageable. They could be satisfied through companywide averaging, rather than an item-by-item basis.

The bill's labeling provisions would reduce consumer confusion from, and manufacture misuse of, environmental marketing claims. The right to label a product or package as "recycled" would be conditioned upon complying with the minimum content standards described above. The right to label an item as "recyclable" or "compostable" would be limited to those for which the recycling rate at least meets the recycling rate goals.

The procurement section of the bill is another of its most substantial features. This section calls upon Federal funds, when used to procure items that are able to be made from recovered materials, to give preference to those made from the highest percent of recovered materials. Guidelines would establish the recycled content specifications that procuring offices would be directed to set and a 10-percent price preference for recycled goods would be allowed.

The bill would give the Commerce Department authority over the provisions which primarily involve good business sense or manufacturer-government interaction, while giving EPA authority over the points which require good environmental sense.

Mr. Speaker, in short, the National Recycling Markets Act of 1991 is needed to make the system work. Without strong, effective, stable recycling markets, our cities' recycling programs will be hard-pressed to be more than garbage separators, and we will continue to bury valuable resources.

CONVERT CLOSED MILITARY BASES TO PRISONS

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. PEASE. Mr. Speaker, today I am reintroducing legislation that directs the Department of Defense to transfer—free of charge—closed military facilities to the Federal Bureau of Prisons.

I was pleased that last year, an amendment to the comprehensive Crime Control Act directed that the Bureau of Prisons be given priority in the disposition of four closed military facilities each year—exclusive of the first wave of bases to be closed—and that such transfers take place free of charge.

However, I feel strongly that this amendment did not go far enough, which is why I have reintroduced my bill. With the epidemic of drug abuse and violent crime reaching into homes and communities across this Nation, we need legislation to provide more prison space for convicted criminals.

If this Nation is serious about its war on drugs, we have to come up with sufficient prison space for those convicted of drug-related crimes, both for incarceration and for treatment. Right now, we just don't have the facilities to house these criminals.

My bill simply mandates an existing option, giving the Bureau of Prisons first priority to obtain closed military bases free of charge.

The text of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. USE OF PROPERTY AND FACILITIES AT CLOSED OR REALIGNED MILITARY INSTALLATIONS.

(a) PROPERTY AT BASES CLOSED OR REALIGNED UNDER EXISTING SPECIAL BASE CLOSURE LAWS.—(1) Section 204(b)(3) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended to read as follows:

"(3)(A) Before any action is taken with respect to the disposal or transfer of any real property or facility located at a military installation to be closed or realigned under this title—

"(i) the Secretary shall notify all departments and other instrumentalities (including nonappropriated fund instrumentalities) within the Department of Defense of the availability of the property or facility, or portion thereof, and may transfer the property, facility, or portion, without reimbursement, to any such department or instrumentality; and

"(ii) after adequate notification under clause (i), the Secretary shall—

"(I) notify the Attorney General of the availability of the property or facility, or portion thereof; and

"(II) transfer (without reimbursement) the property, facility, or portion to the Bureau of Prisons if the Attorney General certifies that the property, facility, or portion will be used primarily in the incarceration of prisoners convicted of controlled substances offenses and is essential to the program objectives of the Bureau of Prisons.

"(B) In carrying out subparagraph (A)(i), the Secretary shall give a priority, and shall transfer, to any such department or other instrumentality that agrees to pay fair market value for the property or facility, or portion thereof. For purposes of subparagraph (A)(i), fair market value shall be determined on the basis of the use of the property or facility on December 31, 1988.

"(C) This paragraph shall take precedence over any other provision of this title or other provision of law with respect to the disposal or transfer of real property or facility located at a military installation to be closed or realigned under this title.".

(2) Section 2905(b)(2)(D) of the Defense Base Closure and Realignment Act of 1990 (Public Law 101–510; 10 U.S.C. 2687 note) is amended by adding at the end the following new sentences: "The Secretary shall notify these departments and entities of the availability of property or facilities at military installations to be closed or realigned under this part. After such notification and an adequate opportunity for transfer of the property or facilities to these departments or facilities, the Secretary shall—

"(i) notify the Attorney General of the availability of the property or facility; and

"(ii) transfer (without reimbursement) the property or facilities, or a portion thereof, to the Bureau of Prisons if the Attorney General certifies that the property, facilities, or portion will be used primarily in the incarceration of prisoners convicted of controlled substances offenses and is essential to the program objectives of the Bureau of Prisons.".

(b) DISPOSAL OR TRANSFER OF PROPERTY UNDER OTHER AUTHORITY.—(1) Before any action is taken with respect to the disposal or transfer of any real property or facility located at a military installation to be closed or realigned other than under title II of the Defense Authorization Amendments and Base Closure and Realignment Act or the Defense Base Closure and Realignment Act of 1990, the Secretary of Defense shall notify all departments and other entities (including nonappropriated fund instrumentalities) within the Department of Defense or the Coast Guard of the availability of the property or facility and may transfer (without reimbursement) the property or facilities, or a portion thereof, to any such department or instrumentality.

(2) After adequate notification under paragraph (1), the Secretary shall—

(A) notify the Attorney General of the availability of the property or facility; and

(B) transfer (without reimbursement) the property or facility, or a portion thereof, to the Bureau of Prisons if the Attorney General certifies that the property, facility, or portion will be used primarily in the incarceration of prisoners convicted of controlled substances offenses and is essential to the program objectives of the Bureau of Prisons.

QUALITY IS THE ANSWER

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. GINGRICH. Mr. Speaker, I would like to share with my colleagues an article entitled, "Hapeville: Winning With Quality, Not Quotas," which appeared as an editorial in The Atlanta Constitution on Monday, June 24, 1991. This article shows how success can happen in all American plants and factories. For this reason, I would like to reprint the article in the CONGRESSIONAL RECORD to remind my colleagues of this important message.

HAPEVILLE: WINNING WITH QUALITY, NOT QUOTAS

From near death to distinction—what a turnaround for the Hapeville Ford plant.

The 44-year-old assembly plant nearly shut down in the early 1980s because American-made autos were losing ground to Japanese competitors and the recession.

But Ford decided not to give up on Hapeville. By investing $250 million to renovate the 2.3 million-square-foot plant in 1985, Ford gave its workers a chance to compete.

The 2,800 employees responded with pride and intelligence to the company's effort to improve labor-management relations. Blue-collar workers and pinstriped bosses joined forces to focus on quality.

And Ford's engineers made success possible by giving the workers outstanding products to assemble—the Taurus and Sable wagons and sedans.

The combination of new equipment, co-operative labor relations and smart engineering paid off. Recently, the plant received the Q1 Award, making it only the third Ford plant to receive the honor since the company created it in 1986. To win it, a plant must meet very high standards for quality.

Earlier this year, industry analysts Harbour and Associates ranked Hapeville as the most productive of U.S. auto plants.

Because of the operation's success, Ford is continuing its commitment. Next month, the plant will become the first to begin manufacturing the 1992 Taurus models, the first substantial modification of the car since it was introduced six years ago.

The Hapeville story is important because it is so simple: Workers and managers combined brains, skills and capital to make a car that can beat the Japanese. In its June issue, Consumer Reports said Taurus "offers more wagon for less money" than Honda Accord. Taurus succeeded because of quality, not because of quotas barring competition.

Recent efforts by some auto executives to get the government to limit not just imports but cars made by Japanese companies on U.S. soil are an embarrassment to the industry. American executives would do well studying the lessons at Hapeville, not whining about what the Japanese are doing.

CORRECTING AN INJUSTICE TO INDIANS

HON. JAMES A. McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. McDERMOTT. Mr. Speaker, I have introduced H.R. 2737, a bill to correct an injustice in the treatment of certain Indian trust income under our need-based programs that help low-income individuals. I am grateful to Mr. MILLER of California, Mr. CAMPBELL of Colorado, Mr. RHODES, and Mr. JOHNSON of South Dakota for joining me in sponsoring this legislation.

A century ago, our Government's policy was to split up Indian reservation land among the individual Indians—a policy that weakened their tribal and cultural ties by taking nearly one-fifth of all Indian land out of tribal ownership. Now we are denying to their 30,000 descendants, many of them impoverished, the benefits to which others are entitled under supplemental security income and other need-based Federal programs.

This is both an injustice in itself and a violation of the Government's trust responsibility to manage Indian lands solely for the benefit of their owners. Congress has a duty to resolve the conflict between our trust responsibilities to native Americans and the purposes of our low-income entitlement programs.

H.R. 2737 would correct that injustice and resolve the conflict by treating minimal income from individually allotted lands the same as income from tribal lands or claims settlements. Senator TOM DASCHLE has introduced this legislation in the Senate, and I hope we can enact it in this Congress. I intend to work with my colleagues to see that the small cost of correcting this injustice is appropriately financed, as required under the Budget Enforcement Act.

A summary of provisions and text of bill follow:

H.R. 2737: SUMMARY OF PROVISIONS

H.R. 2737 exempts up to $4,000 of annual income, derived from trust lands held by individual Indians, from consideration under means-tested federal benefit programs. Other types of Indian trust income are already exempt from consideration under these benefit programs.

The Allotment Act of 1887 and related federal policies divided 10 million acres trust lands on many Indian reservations into 160-acre parcels, giving them to individual tribal members. Ownership of these parcels was divided among the heirs of the original owners, and is now shared by some 30,000 descendants (about 2% of the total Indian population) after several generations of fractionated inheritance.

Because these lands remain in trust status, managed by the Bureau of Indian Affairs for

the benefit of the descendants of the original owners, they cannot be sold or mortgaged without BIA consent and the agreement of all heirs. Typically these lands are leased for agricultural purposes, and the income is often pledged to repay BIA loans for necessities. The annual income individuals receive, often irregularly, averages $420. A 1988 study on the Rosebud Reservation in South Dakota found that half the owners recieved less than $50 a year, and that 70% of those receiving any income received less than $ 200 a year.

Minimal income from lands held in trust for tribes, rather than for individual Indians, is not taken into consideration under means-tested programs like Supplemental Security Income. Income from settlements under the Alaska Native Claims Settlement Act and other Indian claims legislation is similarly exempt. The purpose of H.R. 2737 is to treat minimal income from individually held trust lands in the same way.

Those affected are primarily Indian elders on SSI, living at recalculation, interruption, and recoupment when they occasionally receive small amounts of trust land income. Calculating these changes often costs the BIA, the Social Security Administration, and state agencies more than the benefit amounts involved.

The Congressional Budget Office has estimated the annual federal cost of this legislation at $2 million, principally to the SSI program. This cost will diminish over time as individual ownership in trust lands is further fragmented.

H.R. 2737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXEMPTION.

Section 8 of the Act of October 19, 1973 (25 U.S.C. 1408) is amended—

(1) by inserting immediately after "lands" the following: ", and income (including interest) up to $4,000 per year derived therefrom,"; and

(2) by inserting immediately after "resource" the following: "or income".

GOVERNMENT-SPONSORED ENTERPRISES FINANCIAL SAFETY AND SOUNDNESS ACT OF 1991

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. GONZALEZ. Mr. Speaker, today I join with Congressman WYLIE to introduce by request the administration's legislative proposal to reform the regulatory structure for the Government sponsored enterprises under the jurisdiction of the Banking Committee, the Federal National Mortgage Association [Fannie Mae], the Federal Home Loan Mortgage Corporation [Freddie Mac], and the Federal home loan banks.

The large losses incurred by the Federal Government in connection with the insolvent savings and loans associations has raised concerns about the scope of other potential liabilities of the United States; including the liabilities of Fannie Mae, Freddie Mac, and the banks. These entities are privately owned federally chartered enterprises established to meet certain credit needs. Together they have more than $800 billion in mortgage related liabilities.

While these entities have no explicit backing by the Federal Government, the public perception that should one of these entities fail, the Federal Government would step in and bailout its investors requires us to ensure that the risk that these entities would require a Government bailout is minimal.

Congress began this process of reviewing Fannie, Freddie, and the banks with the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 which mandated two annual studies from both the Department of Treasury and the General Accounting Office. These studies were to assess the risks to the Government presented by these enterprises. The 1990 Budget Reconciliation Act called for two additional studies, one from Treasury and one from the Congressional Budget Office. Further, the Office of Management and Budget was required to include information on these enterprises in the President's 1992 budget and the Department of Housing and Urban Development provided reports last summer on the financial status of Fannie and Freddie.

The conclusion of these studies was unanimous, currently Fannie Mae, Freddie Mac, and the Federal home loan banks pose minimal risk to the Federal Government and the taxpayers. However, Treasury, CBO, and GAO all agree that certain changes need to be made in the regulatory structure for these enterprises to ensure that the Federal Government has the power to protect its interests in the future.

To this end, the Budget Act required the Department of Treasury to submit legislative proposals to Congress and it is this proposal that we are introducing today. I must say, Mr. Speaker, that I have reservations about the Treasury proposal which I am introducing today by request. Consequently, I will soon be introducing my own proposal for regulatory reform that will form the basis of the committee's action in this area and which, I hope, will have the bipartisan support. I intend to move expeditiously on this legislation and I am confident that the committee will report out legislation by the September 15, 1991, statutory deadline set forth in the Omnibus Budget Reconciliation Act of 1990.

A WORLD CLASS COMPANY OF THE 1990'S: SATELLITE TRANSMISSION SYSTEMS

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. HOCHBRUECKNER. Mr. Speaker, today I would like to share with our colleagues and with the American people the quality of products and service of a world class company of the 1990's, Satellite Transmission Systems, Inc. [STS], located in the technology-rich industrial community of Hauppauge on Long Island, NY. STS offers a successful corporate profile which U.S. firms in any industry can look upon as a model to follow. Its high rate of customer satisfaction and product quality has set STS at the top of the satellite communications industry.

STS is dedicated to the design, supply, and turnkey installation of satellite ground stations. It is a leader in the communications industry, competing domestically and internationally. The company continuously improves the quality of the service it provides through Vision 90's total quality management [TQM], STS' education and improvement program. The main priority of this program is to maximize the skills of employees.

One aspect which puts STS at the forefront of successful companies is its goal to continuously educate 100 percent of its 490 employees. In 1990, STS through Vision 90's TQM invested over $1.2 million in employee education programs such as program management education, workmanship training, organization and management development education, among others. At STS, employees at all levels spend at least 10 percent of their time at the workplace in training. Most U.S. companies provide training for only 10 to 20 percent of employees while 100 percent of STS employees are continually being educated.

Field failures and product support costs are major concerns to any satellite communications company. STS has minimized failures and increased quality. One way to gauge STS' product evaluation is through warranty cost percentages. Japanese companies, on the whole, rate at the top in this category with under 1 percent, an average of 0.6 percent warranty costs. STS, in comparison, holds approximately 0.4 percent in the percentage of warranty costs. Other U.S. companies average at best a 2.0-percent rating.

In a recent customer satisfaction evaluation, STS was rated near excellent in eight different performance areas including reliability, equipment, tech services, and support. Customers which rated areas good were contacted immediately by a customer representative from the president's office. STS takes their customers' remarks with the utmost respect and uses them to increase satisfaction and product quality.

STS' success has propelled it to be the major supplier to companies such as AT&T, MCI, British Telecom, and some U.S. Government agencies. STS has been involved in both domestic and international projects. The sale of a completed Earth station to KDD—Japan—the supply of 14 television uplinks for the 1988 Olympics, the Washington-Moscow hot-line upgrade, and the field terminals used in Operation Desert Storm are just some of STS' well respected jobs. Also, in 1988, STS was the first American company to be selected MCI "Vendor of the Year."

Mr. Speaker, it is companies like Satellite Transmission Systems, Inc. that keep the United States at the peak of technology. STS is a growing company in a declining market. Its corporate work ethic and product quality are exemplary and should be emulated by all U.S. companies. In a time when foreign competition is strong, American companies should look for new and innovative ways for success through education. STS has done just that. I ask my colleagues to join me in saluting STS and all of its dedicated employees. I wish them con-

tinued success in providing advanced satellite systems.

GOVERNMENT-SPONSORED ENTERPRISES FINANCIAL SAFETY AND SOUNDNESS ACT OF 1991

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. WYLIE. Mr. Speaker, today, the distinguished chairman of the Banking Committee, Mr. GONZALEZ and I, along with the ranking member of the Housing Subcommittee, Mrs. ROUKEMA, are introducing by request the administration's proposal to assure GSE safety and soundness.

Government-sponsored enterprises [GSE's] are financial institutions chartered by the Federal Government to achieve the public purpose of facilitating the flow of funds to housing, agriculture or higher education. Within the Banking Committee's jurisdiction are the Federal National Mortgage Corporation—Fannie Mae—Federal Home Loan Mortgage Corporation—Freddie Mac—and the Federal Home Loan Bank System. Together, these housing-related GSE's have incurred outstanding debt of over $885 billion. Therefore, in light of the 1987 farm credit bailout and the S&L crisis, the Congress has grown concerned over the significant obligations of these federally-chartered organizations.

The Congress responded to these concerns by mandating in FIRREA several separate reports: one to be conducted by the Treasury and the other by GAO. The primary objective of these reports was to examine the contingent liability of the Federal Government which arises from the implicit guarantee for the GSE's obligations. Last year's Budget Reconciliation Act required the Treasury and CBO to submit studies on the GSE's and recommended legislation by April 30, 1991.

All total, Mr. Speaker, the Congress has received seven reports by five different Government agencies over the last 2 years. Treasury, CBO, GAO and others have examined the GSE's in exhaustive detail. Each has produced reports with regard to the current state of health of the GSE's, and has made proposals with regard to the future of the GSE's. With specific regard to the housing-related GSE's, the Treasury indicates—"Fannie Mae and Freddie Mac are healthy, well-managed companies that currently do not pose a risk to the taxpayer." However, the reports also are unanimous in their view that there is insufficient Government oversight of the GSE's.

In this regard, committees with GSE oversight, such as the Banking Committee, are required by last year's Budget Reconciliation Act to report, by September 15, 1991, legislation to ensure the financial soundness of the GSE's and to minimize the possibility that a GSE might require Government assistance.

Mr. Speaker, I believe most Members would agree that the housing-related GSE's continue to fulfill their public mission in an exemplary manner. Without the link between housing markets and capital markets which has been forged by these GSE's, there would be far fewer homeowners in the United States today. The GSE's have been a true success story in providing liquidity, efficiency and access to the housing finance system for low, moderate, and middle-income Americans at no cost to the Federal Government. I, nor any Member of this body, would want that capability impaired in any way in the future.

Since the release of the two required studies, under the able leadership of Chairman GONZALEZ, the Housing Subcommittee has held two comprehensive hearings on the financial conditions of and the risks associated with GSE's. Two major issues will shape the debate: Who the appropriate regulator will be, and what the appropriate capital levels are for these two GSE's? It would seem to me, therefore, that we should proceed with caution in terms of making any radical changes to these crucially important housing-related organizations. By the same token, however, the great importance of these GSE's and the tremendous size of their borrowings makes it incumbent upon our committee to consider carefully the need for increased Government oversight.

Three factors must be balanced when considering the appropriate manner in which to regulate Fannie Mae and Freddie Mac. First, financial safety—an absolute minimum capital standard must be established to protect the taxpayer under any circumstances, as well as to provide a cushion during which time the regulator is required to intervene. Above and beyond this minimum capital standard, a risk-based system must be set up to provide for reasonably adequate additional capital. Second, housing mission—in setting up a framework for regulating the housing-related GSE's, care must be taken to avoid jeopardizing their ability to perform their public mission of linking the capital and housing markets. Third, investment needs—in providing for financial safety and soundness and ensuring fulfillment of their housing mission, the final consideration must include recognition that Fannie Mae and Freddie Mac are private companies which must compete in the private sector capital markets by providing a competitive return on investment.

Mr. Speaker, it is clear to me that the process establishing safety and soundness standards for the housing-related GSE's will not be a political one, in part, because of the complicated subject matter. More importantly, these GSE's serve such a vital public purpose, that of facilitating homeownership. Given the track record of cooperation established during last year's Cranston-Gonzalez National Affordable Housing Act, I look forward to working in a bipartisan manner with the administration, and with the distinguished chairman of the Banking Committee, HENRY GONZALEZ.

Mr. Speaker, the Government-Sponsored Enterprises Safety and Soundness Act of 1991 is one proposal which the Banking Committee will use to craft reasonable and practical capital standards and an improved regulatory structure for Fannie Mae and Freddie Mac. The Banking Committee has a full agenda this year. We are well along in the process of bank insurance reform. I am confident that the Banking Committee will meet its responsibility under last year's Budget Reconciliation Act and report out legislation by September 15 of this year.

The administration's section-by-section analysis of the Government-Sponsored Enterprises Safety and Soundness Act of 1991 follows:

SECTION-BY-SECTION ANALYSIS OF GOVERNMENT-SPONSORED ENTERPRISES FINANCIAL SAFETY AND SOUNDNESS ACT OF 1991

The primary purpose of the Government-Sponsored Enterprises Financial Safety and Soundness Act of 1991 (the "Act") is to establish a system of regulation of the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") that embodies the following principles developed in the 1991 Report of the Secretary of the Treasury on Government-Sponsored Enterprises—

(1) financial safety and soundness should be given primacy over other public policy considerations in the regulation of FNMA and FHLMC;

(2) the regulator should have sufficient stature to maintain independence from FNMA, FHLMC and special interest groups;

(3) private market risk assessment mechanisms can help the regulator assess the financial safety and soundness of FNMA and FHLMC; and

(4) the basic statutory authorities for financial safety and soundness regulation should be consistent across all Government-sponsored enterprises; therefore, the regulator should have the authority, among others, to establish capital standards; require financial disclosure; if necessary, prescribe adequate standards for books and records and other internal controls; conduct examinations; and enforce compliance with the standards and rules so established.

Title I creates a new separate, arms-length bureau within the Department of Housing and Urban Development ("HUD") that will be responsible for assuring the financial safety and soundness of FNMA and FHLMC. The new bureau, to be known as the Office of Government-Sponsored Enterprise Financial Oversight (the "Office"), will become effective January 1, 1992.

Section 101 is a definitional section. The term "Director" is defined to mean the Director of the Office. The term "enterprise" means the FNMA and FHLMC and any affiliates they may be authorized to establish. The term "Secretary" means the Secretary of HUD. The terms "capital", "capital distribution", "compensation", "executive officer", and "new program" are also defined.

Section 112 provides for the appointment of the Director by the President with the advice and consent of the Senate. The Director serves for a term of five years. Vacancies are to be filled in the same manner as appointments. The Director is authorized to designate who shall act as Director if the Director dies, resigns, or is sick or absent. If the Director does not make such a designation, the Secretary of HUD shall make the designation.

Section 113 amends section 5314 of Title 5 of the United States Code to provide that the Director shall be compensated at Level III of the Executive Service.

Section 114 provides that certain actions of the Director shall be within the exclusive authority of the Director. These actions include case-specific determinations and actions regarding the denial for reasons of safety and soundness of any request for approval of the Director under applicable law or regulations, examinations, decisions to appoint a conservator, and any enforcement action. The Director may nevertheless consult with the Secretary on any matter, including those described above. All other authority vested in the Director, including the authority to

adopt rules and regulations, shall be exercised by the Director subject to the review and approval of the Secretary. The section also expressly provides that the Director may delegate any of the Director's authority to any employee, representative or agent of the Office.

Section 115 authorizes the Director to appoint all employees of the Office and fix their compensation.

Section 116 provides the Director with broad authority to issue such regulations and orders as are necessary or appropriate to carry out any law within the Director's jurisdiction. Any regulations promulgated by the Director are to be exempt from the provisions of section 3535(o) of title 42 of the United States Code, which requires the Secretary of HUD to notify certain Congressional committees prior to publication of any proposed or final rules.

Section 117 contains certain conforming amendments to the Federal National Mortgage Association Charter Act (the "Charter Act") to reflect the new grant of authority to the Director to supervise the safety and soundness of FNMA and to coordinate such authority with certain programmatic authority retained by the Secretary. Section 117 amends section 303 of the Charter Act to delete the requirement that the Secretary approve any requirement imposed by FNMA on mortgage sellers to make capital contributions to FNMA. Since the purpose of such a requirement is to accumulate funds for FNMA's capital surplus, this requirement relates to financial safety and soundness and therefore should be taken into account by the Director in establishing and enforcing capital standards for FNMA.

Section 304(b) of the Charter Act is amended by deleting language that limits FNMA outstanding unsecured debt to 15 times FNMA's capital, capital surplus, general surplus, reserves and undistributed earnings unless the Secretary of HUD sets a higher ratio. A sentence limiting unsecured debt to an amount equal to the amount of unencumbered mortgages and certain other liquid investments is also deleted. Both of these provisions impose capital restraints on FNMA that should no longer be necessary given the authority granted to the Director to establish relevant capital measures for FNMA.

Section 304(b) of the Charter act is further amended to require FNMA also to obtain the approval of the Director whenever it must under current law obtain the approval of the Secretary of the Treasury in connection with the issuance of obligations. Since the issuance of obligations, especially new instruments with unknown risk characteristics, can have a significant effect on the safety and soundness of FNMA, the Director needs to be able to disapprove the issuance of particular obligations to carry out the Director's functions. It is not, however, intended that the Director micromanage FNMA's funding operations; therefore, this amendment provides that any obligation issued or being issued by FNMA on the date of enactment of this Act, or any obligation of a substantially identical type, is deemed approved by the Director. This provision does not override the Director's authority under section 131 as set forth below to limit liabilities of FNMA. These amendments are not intended to affect in any way the existing authority of the Secretary of the Treasury.

Section 309(h) of the Charter Act is amended to reflect the responsibility given to the Director for assuring the financial safety and soundness of FNMA. As amended, the subsection will provide that the Secretary of HUD shall have regulatory and rulemaking authority over FNMA, except for the authority to ensure safety and soundness that is vested in the Director as described above.

Section 311 of the Charter Act is amended to delete a requirement that the Secretary of HUD approve all issuances of stock and convertible debt by FNMA.

All of these amendments except the amendment deleting the statutory capital ratio shall become effective on January 1, 1992, the date the Office is established. The amendment deleting the statutory capital ratio becomes effective three years after the date of enactment, which is the effective date for the minimum risk-based capital levels described below.

Any rules and regulations adopted by the Secretary pursuant to provisions of the Charter Act will be effective and enforceable by the Secretary to the extent they are not inconsistent with the duties and authorities of the Director.

Section 118 contains similar conforming amendments to the Federal Home Loan Mortgage Corporation Act (the "FHLMC Act"). Section 303(b) of the FHLMC Act is amended to reflect the responsibility given to the Director for assuring the financial safety and soundness of FHLMC. As amended, the subsection will provide that the Secretary of HUD shall have regulatory and rulemaking authority over FHLMC, except for the authority to ensure safety and soundness that is vested in the Director as described above.

Section 303(b) of the FHLMC Act is also amended by eliminating a provision authorizing the Secretary of HUD to limit the amount of dividends paid by FHLMC. This authority is included in the more detailed supervisory and enforcement powers granted to the Director as described below. A statutory capital rule similar to the one described above for FNMA is also deleted as unnecessary in view of the explicit authority granted the Director to establish relevant capital measures for FHLMC.

Section 118(b) amends section 306(j) of the FHLMC Act to give the Director concurrent approval authority with the Secretary of the Treasury over the issuance of notes, debentures, and substantially identical types of unsecured obligations. This amendment is intended to have the same effect as the parallel amendment to section 304(b) of the Charter Act in section 177(b) (3)–(4).

The various amendments to the FHLMC Act have the same effective dates as the parallel amendments to the Charter Act, as described above. Any rules and regulations adopted by the Secretary pursuant to provisions of the FHLMC Act will be effective and enforceable by the Secretary to the extent they are not inconsistent with the duties and authorities of the Director.

Section 119 requires the Director to make an annual report to Congress setting out steps taken to implement this Act, the safety and soundness of each enterprise, and any recommended amendments to any law affecting the safety and soundness of the enterprises. These reports will be in addition to reports of the Secretary required under current law. It is intended that the Secretary will report separately on programmatic matters not included in the report of the Director.

Section 120 authorizes the Secretary to assess the enterprises an amount equal to the costs associated with carrying out the Director's responsibilities and the Secretary's regulatory responsibilities with respect to the enterprises. These funds are to be deposited into a new separated fund of the Treasury from which they will be immediately available to carry out the responsibilities of the Secretary and the Director without regard to fiscal year limitations.

Section 131 sets out the new authority granted to the Director to ensure the capital adequacy of the enterprises and to take prompt corrective action in the event an enterprise falls below a relevant capital measure. Under section 131(a), the Director is required to establish relevant capital measures for the enterprises and to establish minimum risk-based capital levels for each measure that meet certain criteria. The minimum risk-based capital levels must exceed the leverage limit set forth in section 131(a)(2) and they must equal, in the Director's opinion, the sum of—

(1) an amount of capital sufficient, when considered in conjunction with guarantee fees paid to the enterprise, to enable the enterprise to maintain positive capital to cover interest rate risk and credit risk, independently, under stressful economic circumstances determined by the Director;

(2) an amount of capital sufficient to protect against management risk, operations risk, and business risk; and

(3) an amount of capital sufficient to provide capital coverage at the margin for proposed new programs or lines of business whose risk characteristics are uncertain.

In assessing the impact of the stressful economic environments determined by the Director, the Director will use the most recent generally accepted analytical methodologies to measure the interest rate risk and credit risk presented by the enterprise's method of conducting business.

Section 131(a)(2) sets forth a leverage limit which is equal to the sum of—

(1) 2.50 percent of total on-balance sheet assets,

(2) 0.45 percent of the total face value of outstanding mortgage-backed securities issued or guaranteed by the enterprise, and

(3) such other percentage of other off-balance sheet obligations as the Director shall establish by regulation.

The Director is given the authority to establish by regulation a leverage limit above the specified level.

Finally, section 131(a)(3) provides for a critical capital level that is intended, as a general matter, permit resolution of an enterprise's problems from its own resources. This level shall be the sum of 1.25 percent of total on-balance sheet assets, .25 percent of outstanding mortgage-backed securities, and such other percentage of other off-balance sheet obligations as the Director shall establish by regulation.

"On-balance sheet assets" and "off-balance sheet obligations" are to be determined in accordance with generally accepted accounting principles.

Based on the three capital levels just described, section 131 establishes four different levels into which an enterprise may fall and sets forth specific actions that may be taken by the Director depending upon which level an enterprise is in. The Director is required to promulgate the regulations establishing the minimum risk-based capital levels within one year from the date of enactment. Beginning three years from the date of enactment, the Director may take any action authorized under section 131 (as described in greater detail below) for failure to meet the minimum risk-based capital level. The Director may take any action authorized under section 131 based upon failure to meet the

statutory leverage limit beginning one year after the date of enactment. The Director may take any action authorized under section 131 based upon failure to meet the critical capital level beginning January 1, 1992.

Level I is defined to include an enterprise that maintains capital that is below the minimum risk-based capital level for any relevant capital measure and is not within Levels II, III, or IV as described below.

Level II is defined to include an enterprise that maintains capital that is significantly below the minimum risk-based capital level for any relevant capital measure but that is at or exceeds the leverage limit, or an enterprise that is otherwise classified within Level II under other provisions of section 131.

Level III is defined to include an enterprise that maintains capital that is below the leverage limit but that is at or exceeds the critical capital level, or an enterprise that is otherwise classified within Level III under other provisions of section 131.

Level IV is defined to include an enterprise that maintains capital below the critical capital level.

Section 131(a)(7) provides that the Director may reclassify any enterprise in Level I or Level II to Level III if the Director determines that the enterprise is in an unsafe and unsound condition or is engaging in an unsafe and unsound practice.

Section 131(b) provides that the Director shall promulgate regulations and take such other actions as are necessary to implement the provisions of section 131. It further provides that the Director is authorized to issue such orders and take such other actions as are necessary or appropriate to carry out the purposes of section 131. Section 131(b) also provides that the Director shall by regulation specify the applicable capital levels for each relevant capital measure to delineate Levels I through IV as described above.

Finally, section 131(b) provides that an enterprise that falls below the minimum risk-based capital levels may engage in an activity otherwise subject to programmatic approval of the Secretary only if it obtains in addition the approval of the Director as specified in section 131. This amendment combined with section 114 as described above gives the Director the exclusive authority to deny permission to engage in such investments for reason of financial safety and soundness. The Secretary of HUD retains the authority to approve or deny such investments for programmatic reasons.

Section 131(c) sets forth the mandatory actions that may be taken with respect to an enterprise within Level I. The mandatory actions include restrictions on expansion and capital distributions that would cause the enterprise to fall below Level I. The Director shall also refuse any expansion if the Director determines that the enterprise is engaging in an unsafe and unsound practice or is in an unsafe and unsound condition.

Section 131(d) sets forth the mandatory and discretionary supervisory actions that may be taken with respect to an enterprise within Level II. The mandatory actions include a requirement to submit and implement an acceptable capital plan that will restore the capital of the enterprise to a level sufficient to meet the minimum risk-based capital levels established by the Director, restrictions on capital distributions, restrictions on expansion that are otherwise subject to approval by the Director, and reclassification to Levell III for failure to submit an acceptable capital plan or to implement it in good faith to the satisfaction of the Director.

The discretionary supervisory actions include the authority to limit any increase in, or order the reduction of, any liabilities; to restrict or require contraction of the enterprise's assets; to restrict capital distributions; to restrict activities; and to limit executive compensation.

Section 131(e) includes the mandatory and discretionary supervisory actions applicable to enterprises within Level III. The mandatory actions include a requirement to submit and implement an acceptable capital plan if one has not already been filed; a prohibition on capital distributions; a prohibition on expansion; a limitation on asset growth; and a limitation on compensation. The discretionary actions include the ability to impose further limits on executive compensation as well as authority to dismiss officers and directors and the authority to appoint a conservator for the enterprise.

Section 131(f) provides that the Director shall, within 30 days after determining that an enterprise is within Level IV, appoint a conservator for the enterprise. The conservator shall have the authority to take any mandatory or discretionary supervisory actions available for enterprises in Level II or III and shall also have the powers of a conservator as set forth in section 164.

The Director is given the authority to modify, defer, or remove any mandatory supervisory action applicable to any enterprise if the Director determines it to be in the public interest.

Section 131(q) sets forth the requirements of the capital restoration plan that is required as described above. The Director is generally required to act on a capital plan within 30 days after submission, but the Director is authorized to extend this time period.

Section 131(h) provides that any person aggrieved by an action of the Director under this section may obtain judicial review in the United States Court of Appeals for the District of Columbia Circuit or the United States Court of Appeals for the circuit in which the concerned enterprise maintains its home office. An aggrieved person includes the enterprise that is the subject of a mandatory or discretionary supervisory action under Level I, II, or III; a person who has been dismissed as provided in this section; or a person whose compensation has been limited as provided in this section.

An action of the Director may be modified, terminated or set aside only if the reviewing court finds, on the record on which the Director acted, that the Director's action was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. No court shall have jurisdiction to enjoin or otherwise delay agency action pending judicial review. However, petitions under this section will be given expedited review.

Section 132 amends Title 28 of the United States Code to grant the United States Claims Court jurisdiction over claims for damages against the United States where an action of the Director has been modified, terminated or set aside by a reviewing court.

Section 133 establishes a safe harbor for enterprises that receive the highest investment grade from two nationally-recognized statistical rating organizations ("NRSRO"). If the Director determines, after receiving ratings from two NRSROs, that an enterprise merits the highest investment grade rating, the enterprise shall be deemed to meet the minimum risk-based capital levels described above for one year following the effective date of the Director's determination. If the Director fails to make such a determination, the Director shall make a written finding setting forth the reasons. The safe harbor will be terminated prior to the end of the one-year period if either NRSRO notifies the Director, and the Director determines, that an enterprise no longer merits the highest investment grade. The cost of the ratings will be covered by an assessment on the enterprise seeking to qualify for the safe harbor. The Director may seek a rating of an enterprise from an NRSRO at any time to assist in carrying out the Director's responsibilities.

Section 134 imposes various reporting requirements on each enterprise that are similar to the reporting requirements imposed on banks under the Federal Deposit Insurance Act ("FDI Act"). Section 134 requires each enterprise to make annual reports of condition to the Director and authorizes the Director to call for such additional other reports as the Director determines to be necessary. The reports of condition shall be certified by an officer of the enterprise as true and correct to the best of his or her knowledge and belief and shall also be attested by at least three directors of the enterprise.

Section 134(c) imposes three tiers of penalties for failure to make reports as required under this section. Section 134(d) also requires each enterprise to make such reports to the Director on the payment of capital distributions as the Director deems necessary.

Section 135 authorizes the Director to appoint examiners who shall have the power to examine either enterprise whenever the Director determines that an examination is necessary to determine the condition of the enterprise.

Sections 141 through 144 grant the Director authority to issue cease-and-desist orders or to remove or suspend officers or directors of an enterprise that parallels the authority of the appropriate Federal banking agencies under section 1818 of the FDI Act. Section 147 contains authority to impose civil money penalties under three different tiers. These penalties, like the penalties in the FDI Act on which they are modeled, are intended to be compensatory of costs and damages to the Government that are not readily susceptible to measurement. Nonetheless, since the imposition of these civil penalties may potentially preclude a subsequent criminal prosecution based on the same facts under the Double Jeopardy clause of the U.S. Constitution, *see United States V. Halper*, U.S. , 109 S. Ct. 1892 (1989), the Congress intends the Director and the Attorney General to work together to develop procedures to avoid undesired preclusion of subsequent criminal prosecutions.

Sections 161 through 167 contain conservatorship provisions that parallel provisions of the Bank Conservation Act (12 U.S.C. 200 et seq.). Section 161 provides the Director with the authority to appoint a conservator to take possession and control of an enterprise whenever one or more of several circumstances exists, including classification in Level III or Level IV as described above. Section 161 also provides for judicial review of the appointment of a conservator. Section 162 authorizes examinations of enterprises in conservatorship. Section 163 provides for termination of a conservatorship. Section 164 sets forth the powers and duties of a conservator. Section 165 provides limits on the liability of a conservator and permits the Director to indemnify a conservator.

Title II contains an amendment to section 2A of the Federal Home Loan Bank Act which makes financial safety and soundness

of the Federal Home Loan Banks ("FHLBks"). the primary duty of the Federal Housing Finance Board ("FHFB"). The other duties of FHFB, which include ensuring that the FHLBks carry out their housing finance missions, although important, are to be secondary to ensuring that the FHLBks operate in a financially safe and sound manner.

INTRODUCTION OF PENSION HARDSHIP RELIEF ACT

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. MOODY. Mr. Speaker, today I am introducing legislation with my colleague STEVE GUNDERSON that will make a small change in the tax law, but create an enormous benefit to thousands of American workers facing economic hardships due to plant closings, layoffs, or other unforeseen hardships.

I am acting in behalf of the over one thousand workers that will be thrown out of work by the closing of the Uniroyal plant in Eau Claire, WI, and many thousands of others now and in the future who may lose their jobs for myriad reasons. These workers, the middle income, working people who form the very backbone of our communities, should not be forced to sell their homes, take their children out of college, or reduce themselves to poverty simply to maintain a basic, decent standard of living.

This legislation allows those that are forced to dip into pension funds to meet a limited number of crucial expenses avoid the 10 percent penalty tax on early withdrawals of such funds. This is not a tax shelter scheme—pension funds could be used for very narrow purposes only, and all disbursements would be taxed as regular income. Only the penalty would be waived.

The legislation mirrors the hardship exception that already exists for 401(k) pension plans. Regulations governing section 401(k)(2)(B)(i) allows for a hardship distribution in two cases:

First, the distribution must be made on account of immediate and heavy financial need of the employee; and

Second, the distribution must be necessary to satisfy that need.

The expenditures for which penalty free withdrawals could be made are very limited in order to prevent abuse. These include medical expenses, tuition payments for children or a spouse, and rent or mortgage payments to prevent being thrown out of one's home.

I recognize the concern many of us have with creating early access to pension funds. The whole reason for creating tax incentives for pensions is to defer consumption to ensure a comfortable retirement. This is an important goal; access to these funds prior to retirement should not be easy.

But there are clearly circumstances where such access is warranted, as the rules governing 401(k) plans recognize. This legislation extends the same logical benefits to other qualified pension plans, including both defined benefit and defined contribution plans. We owe it to the productive working men and women of America to give them every consideration in coping with unpredictable difficulties that adversely affect them and their families.

ENVIRONMENTALISTS URGE PIPELINE THROUGH ANWR

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. YOUNG of Alaska. Mr. Speaker, most of us have heard from constituents responding to environmental fundraising groups about the coastal plain of Arctic National Wildlife Refuge [ANWR], in my State of Alaska. Claims are made that this area is unique, pristine, and priceless; even against a 50–50 chance that at least 3 billion barrels of oil will be found there. This would make ANWR the second and third largest oil field ever discovered in America.

What the leaders of these groups aren't saying—and aren't telling their readers—is that back when Congress was debating the construction of the Alaska pipeline, which is currently responsible for delivering 25 percent of America's daily oil production, they were urging that the pipeline should be built right through ANWR. There was even a proposal to build a railroad through the ANWR.

In a revealing article in the Houston Chronicle May 23, Michel T. Halbouty, chairman of the board and chief executive officer of Michel T. Halbouty Energy Co., details this flip-flop on ANWR.

I ask that the article be reprinted in the RECORD in its entirety.

[From the Houston Chronicle, May 23, 1991]

FORKED TONGUES SPEAK AGAINST ARCTIC OIL SEARCH

(By Michel T. Halbouty)

When analyzed rationally, it becomes clear that there can be no question that the development of Alaska's Arctic National Wildlife Refuge oil resources is essential to the security of the United States. This need is made all the more pressing when we consider the fact that oil imports are again rising, having topped 8.3 million barrels per day for the first week of May.

Despite this telling evidence, however, the environmental lobby remains intransigent. Part of the reason is that opposition to oil exploration on ANWR has grown to mythic proportions in the environmentalists' pantheon of issues, becoming in effect their Holy Grail. As with any group's quintessential issue, they have come to pursue opposition to drilling on ANWR with a virtually religious fervor.

For example, holding the line on ANWR became the environmental lobby's litmus test in last year's congressional election, with the groups threatening active opposition to any candidate who dared refuse to pledge unqualified support for keeping oil explorationists out. But it was not always so. In fact, at one time, the very groups that are so adamant about ANWR's unique ecological value today were singing quite a different tune. It is interesting to read on and see just how they condoned and even suggested various heavy activities to be conducted in ANWR.

Between 1969 and 1973, the Department of the Interior held an exhaustive series of hearings examining the environmental consequences of building the Trans-Alaskan Oil Pipeline System. The record of these hearings comprises tens of thousands of pages, many of which are taken up by testimony from various members of the environmental lobby, which saw blocking the TAPS pipeline's construction as a way to block Alaskan oil development.

Although in most respects the arguments they put forward against the TAPS line are virtually identical to those offered in opposition to ANWR today, they differ in one important respect their attitude toward ANWR.

The testimony they presented in these hearings provided a valuable insight for today's debate, because it shows how facile the environmental lobby is at tailoring its arguments to the cause of the moment. Indeed, the testimony clearly reveals the flimsy fabric of their current position, bringing to mind the old Indian expression of "speaking with forked tongues."

At the May 4, 1972, TAPS hearing, Thomas J. Cade, testifying on behalf of the Wilderness Society, Friends of the Earth and Environmental Defense Fund, stated:

"The Arctic National Wildlife Range has practically no exception or unique natural values in its northern foothills and narrow coastal plain sections."

Sierra Club representative Lloyd Tupling stated at the same hearing:

"An all-land route through Canada, with a spur running to Prudhoe Bay south of the Arctic Wildlife Range (in which is now ANWR), would have several advantages over the North Slope-Valdez route."

Nor was this position new to the environmental lobby. A year earlier, at a hearing on May 16, 1971, Chris Hartwell, another environmentalist, had stated:

"It is far better to run the pipeline through the wildlife range."

Richard Rice, a professor at Carnegie-Mellon University, even went so far as to suggest building a railroad across ANWR to ship Prudhoe Bay oil!

And what about the most basic issue, the importance of Alaskan oil production?

At the Feb. 4, 1971, hearing on TAPS held in Washington, D.C., David Wayburn, vice president of the Sierra Club, turned his crystal ball to the future, noting that development of Alaskan oil "suggests an increasing need for oil at a rate of 4 percent a year at the very time the internal combustion engine may be becoming obsolete."

Since Wayburn offered this opinion, the number of cars, trucks, buses and motorcycles on the road in the United States has risen by nearly 72 million from the 1971 level.

At the Feb. 17, 1971, hearing, Berkeley Professor Richard B. Norgaard said: "The North Slope oil does not particularly add to our security."

As noted earlier, the North Slope contributes 20 percent of all the oil produced in the United States today.

Most revealing of all, however, in terms of the real goals of the environmental movement was May 4, 1972, New York Times article, later included in testimony by David Brower of Friends of the Earth. His summary of the environmentalist attitude presented one of the clearest revelations of its real objectives when he stated at one point:

"There is a hope our population will not increase over the next years. Furthermore, new generations may find the quest for more material goodies a less satisfactory way to spend their lives than relating to more permanent systems of value."

And what might these "more permanent systems of value" be? Obviously, whatever

Brower and his friends think they should be. What Brower's comment so clearly reveals is there is actually a hidden agenda behind the environmental lobby's opposition to virtually every effort to produce additional domestic energy, whether it is in ANWR or offshore, or anywhere else.

Their much vaunted concern over the environment, it seems, is merely a subterfuge to permit them to accomplish their genuine goal: the restructuring of society to conform with their own narrow concept of what it should be.

While they are certainly free to advocate whatever societal structure they want, their failure to be more forthright about their true aims is simply disingenuous.

So, following their dream might permit an elitist few to live well, but would condemn the masses in most nations to the status of a permanent underclass. In short, theirs is an elitist vision that would benefit only a chosen few.

The above quotes of the environmentalists on their early attitude on ANWR clearly reveal that they will tailor their actions to whatever suits their fancy at the moment.

Passing up the opportunity ANWR presents is a luxury the nation cannot afford. It is our last best chance to stem the rising tide of imports. Let the environmental lobby have its self-absorbed dreams of restructuring society, but let the explorationists have ANWR for the benefit of the nation. To do otherwise can only aggravate our import dependence without justification, and we have seen all too graphically over the last 10 months just how costly that dependence can be.

SUPPORT FOR THE HIGHWAY 610 CORRIDOR

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. SIKORSKI. Mr. Speaker, this week I had the pleasure of meeting with many of my constituents from the Sixth District of Minnesota regarding transportation needs. Particularly, the North Metro Crosstown Coalition has been working hard to procure much needed Federal and State assistance for the Highway 610 corridor in my district. I am pleased to support them in this effort because it will do a great deal to ease congestion for the region as well as provide an intermodal model for the rest of America. I understand the fine bipartisan work of the House Public Works and Transportation Committee will result in legislation in the not too distant future, and I support them in their diligent efforts to set a new direction for transportation funding into the 21st century.

I would like to submit for the RECORD a letter from the Minnesota Commissioner of Transportation John H. Riley, expressing support for the Highway 610 project and its funding in the Federal transportation bill. I commend Mr. Riley for his commitment to this project and note that 18 mayors and thousands of their constituents represented by the North Metro Crosstown Coalition also note his support for their project. Just as the Public Works Committee, we in Minnesota also work in a bipartisan fashion when it comes to much needed transportation needs. I hope we can continue this bipartisan effort right through final passage and enactment.

MINNESOTA DEPARTMENT
OF TRANSPORTATION,
St. Paul, MN, May 31, 1991.

Hon. PATRICK D. MCGOWAN,
Senator, District 48, State Office Building, St. Paul, MN.

DEAR SENATOR MCGOWAN: I appreciate your statement of support for the Trunk Highway 610/10 improvement project.

While this project is not in the Mn/DOT five year construction plan, it is impossible to question it's value. I expect 610 to be one of the projects competing for designation in this year's programming cycle. Approximately 550 projects from around the state will compete for designation in that process, and I have no doubt that 610 will make Mn/DOT's programming list either in this cycle or within the next several years. I have had the opportunity to tour the corridor myself, and the need for the project is very clear.

As you know, Mn/DOT had identified the Bloomington Ferry Bridge as the State's number one federal appropriation priority. That designation results from the fact that the bridge has outlived its useful life, and must be closed repeatedly when river levels rise above their normal stage. However, I have discussed the 610 project with a number of our delegation members, and informed them that Mn/DOT considered it a worthy project, and would be happy to receive funding to commence it.

This is an unusual year, in that our latitude in project programming will depend to a significant extent on the final dollars and language in the new federal highway bill. But I want to assure you that we do consider Highway 610 a worthy project. While it will have to compete with other worthy projects from other areas of the state in the annual programming competition. I have no doubt that it will be programmed and constructed within the foreseeable future.

Yours very truly,

JOHN H. RILEY,
Commissioner.

A TRIBUTE TO MR. DENNIS E. BENNETT

HON. ELEANOR HOLMES NORTON

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Ms. NORTON. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to a distinguished member of the Washington Metro community, Mr. Dennis E. Bennett, who is being honored tonight by the Shaw Community Center in ward 2 of my district for his exceptional civic contributions to our community. Tonight's salute/dinner is a fundraising event held annually by the Shaw Community Center Food Committee to provide money for Thanksgiving food baskets for needy families throughout our area.

In his quarter of a century with Allstate Insurance Co., Dennis Bennett has risen from supervisor trainee to regional vice president. His present position gives him responsibility for his firm's insurance operations in Maryland, Virginia, and the District of Columbia. But Mr. Bennett is far more than a hardworking and talented professional; he is a considerate husband, a caring father, a good neighbor, and a selfless community leader.

I know that my colleagues in this House will join me in saluting a man who has given so generously of his time and energy to worthy causes in my district.

GAY PRIDE MONTH

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. WEISS. Mr. Speaker, 22 years ago, following a riot at a bar named Stonewall, a tradition was born. This tradition has evolved into a yearly proclamation by the mayor of New York City declaring the month of June Gay and Lesbian Pride and History Month. This month of events culminates on the final Sunday, Gay Pride Day, when tens of thousands of gay men and lesbians, joined by their friends and families, fill the streets in celebration.

I am pleased to note that in the past 22 years the gay and lesbian community has made significant strides. As gays and lesbians have come out of the closet and organized, they have emerged as a formidable political force. Their lobbying efforts were instrumental in securing passage of the Ryan White Aids Care bill and the Hate Crimes Statistics Act of 1990. Their diligent work also has been pivotal in garnering broad support for H.R. 1430, the Civil Rights Amendments Act of 1991, which amends the Civil Rights Act of 1964 and the Fair Housing Act to prohibit discrimination on the basis of affectional or sexual orientation. As lead sponsor of H.R. 1430, I particularly am proud to announce that this legislation has an alltime high 91 House cosponsors in the 102d Congress.

Sadly, though, the AIDS epidemic has led to increased discrimination against homosexuals and those who are perceived to be homosexual. As violence against this community rises dramatically and many States, including New York, grapple to pass hate crime laws, it is ironic that this celebration of gay and lesbian dignity arose from an incident of bias-related violence.

As gays and lesbians across the country commemorate this symbolic month of pride, it is time for Congress to join that celebration by finally extending civil rights protections to the approximately 25 million Americans which our Government has systematically overlooked.

TRIBUTE TO GEREON RIOS

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. LEHMAN of California. Mr. Speaker, I would like to take this opportunity to commend an outstanding constituent of mine, Mr. Gereon Rios, for his efforts on behalf of the Tuolumne County Vietnam Veterans Memorial Project. Mr. Rios has selflessly donated his time and artistic talents to make this memorial possible.

As a Vietnam veteran, Gereon Rios has designed and cast six bronze works of art which

will grace the Tuolumne County Vietnam Veterans Memorial. Each bronze sculpture pays tribute to those who made sacrifices during the Vietnam war and furthers the continuing healing process for our nation.

Born in Mexico City, Mr. Rios moved to the United States as a child and studied art when not working in the fields. Over the years, he has continued his studies and taught art at various institutions in both the United States and his native Mexico. However, his latest work may be his most powerful as Mr. Rios acknowledges the suffering of his fellow soldiers and others who have felt the pain of war.

As a recipient of the Bronze Star, Mr. Gereon Rios continues to demonstrate his dedication to the United States through his contributions in Tuolumne County. I congratulate him on his achievement and thank him on behalf of the community for his service.

A TRIBUTE TO RICK PIERCY

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding community service of my good friend Rick Piercy of Apple Valley, CA. Rick will be honored in July by the Boy Scouts of America, California Inland Empire Council, Serrano District, as the inaugural recipient of their Distinguished Citizen of the Year Award.

Rick attended Southern California College, California State University-San Bernardino, and Azusa Pacific University receiving his B.A. in physical education/recreation and M.A. in special education. Following 9 years of service as a California State park ranger and State peace officer, Rick is now in his ninth year with the Apple Valley Unified School District.

Rick is a model of professional achievement and community service. Among his many qualifications, Rick is an advanced first aid and CPR instructor through the American Red Cross, a cliff and mountain rescue instructor through the California State Park System, and a police defense tactics instructor through the U.S. Karate Association. He is a member of the National Science Teachers Association, the Inland Technology Consortium, and the Apple Valley Chamber of Commerce. He also serves on the National Space Science Education Advisory Board, and was named the Apple Valley Citizen of the Year for 1988–89.

Rick's greatest contribution to date is his service as the program director for the Apple Valley Science and Technology Center. Five years ago, the Science and Technology Center was only Rick's dream. Today, it is a fantastic demonstration of his commitment to promoting math and science among young people. Through a great deal of hard work and determination, Rick raised the necessary funds for construction and the center was built at no expense to the taxpayer. Today, staffed by volunteers, the center provides state-of-the-art instruction training to the students of Apple Valley and other area school districts.

Several months ago, I had the opportunity to fly a T–40 airplane in the science and technology center's simulator with several young pilots. That experience demonstrated the wonderful hands-on experience provided to students with the simulator, two telescopes, and a computer and telecommunications center.

Mr. Speaker, I ask that you join me and our colleagues as we honor the many fine contributions of Rick Piercy. As a model educator, Rick continues to make a difference through his wonderful commitment to our young people and our community. I want to personally thank Rick for his service and wish him my very best in the coming months and years.

WATER POLLUTION PENALTY FUND

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. VISCLOSKY. Mr. Speaker, the district I represent in northwest Indiana is part of the Great Lakes "water belt" on the southern tip of Lake Michigan. As a member of the Water Resources Subcommittee, which is focused on the reauthorization of the Clean Water Act, I am keenly aware of the importance of protecting northwest Indiana's, and the Nation's, water quality for environmental preservation and economic development.

On June 20, I introduced legislation, H.R. 2724, to expedite the cleanup of our Nation's waters. My bill, the Water Pollution Penalty Fund Act of 1991, would create a trust fund established from fines, penalties, and other moneys collected through enforcement of the Clean Water Act to help alleviate the problems for which the enforcement actions were taken. Currently, there is no guarantee that fines or other moneys that result from violations of the Clean Water Act will be used to correct water quality problems. Instead, the money goes into the general fund of the Treasury without any provision that it be used to improve the quality of our Nation's waters.

I am concerned that the Environmental Protection Agency [EPA] enforcement activities are extracting large sums of money from industry and others, while ignoring the issue of how to pay for the cleanup of the water pollution problems for which the penalties were levied. If we really want to ensure the successful implementation and enforcement of the Clean Water Act, we should put those enforcement funds to work and actually cleanup our waters. It does not make sense for significant resources to go into the bottomless pit of the Treasury's general fund, especially if we fail to solve our serious water quality problems.

Specifically, my bill would establish a water pollution penalty fund within the U.S. Treasury into which all fines, penalties, and other moneys, including consent decrees, obtained through enforcement of the Clean Water Act would be placed. Under my proposal, the EPA Administrator would be authorized to prioritize and carryout projects to restore and recover waters of the United States using the funds collected as a result of violations of the Clean Water Act.

The bill further specifies that remedial projects be within the same EPA region where enforcement action was taken. Northwest Indiana is in EPA region 5, and there are 10 EPA regions throughout the United States. Under my proposal, any fine collected from enforcement of the Clean Water Act in region 5 would go into the water pollution penalty fund and, ideally, be used to clean up the specific problem for which the fine was levied.

My bill also instructs EPA to consult with the States in prioritizing specific cleanup projects. Finally, to monitor the implementation of the water pollution penalty fund, I have included a reporting requirement in my legislation. One year after enactment, and every 2 years thereafter, the EPA Administrator would make a report to Congress regarding the establishment of the trust fund.

To illustrate how a water pollution penalty fund would be effective in cleaning up our Nation's waters, I would like to highlight the magnitude of the fines that have been levied through enforcement of the Clean Water Act. In fiscal year 1990, EPA assessed over $16 million in civil, judicial, and administrative penalties for violations of the Clean Water Act. These penalties represented 27 percent of all penalties assessed by EPA under various environmental statutes.

In region 5 alone, it is estimated that EPA will assess $12 to $15 million in penalties for violations of the Clean Water Act in fiscal year 1991. So far this year, EPA region 5 has collected $6.2 million for violations of the Clean Water Act.

Although I introduced this legislation less than 1 week ago, I have already garnered the endorsement of the Lake Michigan Federation. Indeed, I am encouraged by the initial support within the environmental community for the concept of a water pollution penalty fund.

In reauthorizing the Clean Water Act, we have a unique opportunity to improve the quality of our Nation's waters. The establishment of a water pollution penalty fund is an innovative step in that direction. By targeting funds accrued through enforcement of the Clean Water Act, we can put scarce resources to work to facilitate the cleanup of problem areas throughout the Great Lakes and across this country.

MILTON D. STEWART IS A FRIEND OF SMALL BUSINESS

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. IRELAND. Mr. Speaker, I have frequently visited the well of the House to remind our colleagues that what we do here in Congress directly affects the success and vitality of our Nation's small businesses and the well-being of their workers.

I have taken these opportunities to emphasize that it is easy to say we are for small business, but it is how we vote that really counts.

What also counts—dramatically—are the efforts of individuals across our great Nation who have dedicated their energies and passions to the cause of small business.

Over the next 4 days, I will be sharing some of their inspiring stories. I hope that my col-

leagues will join me in applauding the invaluable contributions these individuals are making to the entrepreneurial spirit that is America.

Mr. Speaker, it would be easy for Milton D. Stewart to just say he is for small business, but, thankfully, he offers more than mere words. From 1978 to 1981, Milt served with distinction as our country's first Chief Counsel of Advocacy for the Small Business Administration. There, Milt set the standard for promoting the interests of small business among the Federal agencies, and for collecting information about our Nation's entrepreneurs.

Mr. Stewart served as presiding officer and counsel to the 1980 White House Conference on Small Business and was appointed by President Reagan to serve as a delegate to the 1986 conference as well.

In his spare time, Milt Stewart worked to protect our entrepreneurs as the elected head of the National Small Business Association and the National Association of Small Business Investment Companies; as a partner in a Wall Street law firm; and as chairman of the board of two small businesses.

Currently, Milt is president of the Small Business High Technology Institute, which promotes cooperation among small businesses, universities, and governments to improve our Nation's standing in the world of basic science and applied technology.

Mr. Speaker, Milton Stewart has set an example for all of us who care about small businesses through his devotion to the idea and the realities of small enterprises in America. Milt has dedicated his life's work to helping entrepreneurs, and in doing so, he has improved the quality of life for all Americans.

My colleagues, I ask that we all keep Milton Stewart's example in mind today and for many days to come as we go about our legislative business. And most important, let us remember his example when we are asked to vote on issues affecting our Nation's entrepreneurs. It's easy to say you are for small business. But it's how you vote that really counts.

TRIBUTE TO THE BRAZORIA COUNTY NEWS

HON. GREG LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. LAUGHLIN. Mr. Speaker, I submit today a declaration of recognition for the Brazoria County News in Brazoria, TX. This newspaper, located in the 14th Congressional District, recently earned the "Texas' Best" award from the distinguished organization Keep Texas Beautiful. The award was given in appreciation of the paper's continued support of environmental issues.

A fine honor indeed, and no publication more worthy than the Brazoria County News. I take personal pride in honoring the News because it resides in my hometown of West Columbia. I have had the pleasure of knowing and working with its managing editor, Richard Kotrla II, and the paper's publisher David Toney.

I can attest to their commitment to honest and conscientious news reporting. At a time when it is easier to sell a paper on gossip and cheap headlines, the News has admirably and consistently prioritized environmental concerns.

Barbara Engberg, chairwoman of the West Columbia Clean Team, stated that "the 'News' has been the most influential tool that the West Columbia Clean Team has had to help our program. The editorials and coverage of its managing editor, Richard Kotrla II, have consistently put our message before the public whether it be a picture or an article or his opinions stated in his weekly column, 'Browsing the Brazos'."

This award recognizes the Brazoria County News and its staff for its devotion to keeping America beautiful. I am truly honored to know the people who make this fine publication what it is.

THE SMALL PROPERTY AND CASUALTY INSURANCE COMPANY EQUITY ACT OF 1991

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. THOMAS of California. Mr. Speaker, I am pleased to be introducing the Small Property and Casualty Insurance Company Equity Act of 1991 in order to correct an obvious inequity that exists between the tax treatment of small property and casualty insurance companies and the current tax treatment of small life insurance companies.

Small casualty and property insurance companies play an essential function in the insurance industry by enhancing the level of competition within the industry and providing coverage in areas where other companies often fear to tread. However, small property and casualty companies are more at risk than are the large diversified companies to the vagaries of nature—massive earthquakes and damaging hurricanes, such as those suffered recently by California and our Southeastern States. Small property and casualty insurance companies are also subject to surplus requirements that limit the amount of premiums they can write, thus making it difficult for such companies to grow.

Instead of imposing an impediment to the existence of small property and casualty companies, the tax law should at least provide a level playing field for such companies in relation to small life insurance companies.

Life insurance companies have the benefit of actuarial tables to aid in the prediction of losses, which makes the life insurance business inherently less risky than the property and casualty business. Small life insurance companies—those with total assets of less than $500 million—are entitled to the small life insurance company deduction under section 806 of the Internal Revenue Code, a provision which has been available to them since 1984.

The bill would put small property and casualty insurance companies and small life insurance companies on an equal footing for tax purposes. Under the bill, the small company deduction now applicable to life insurance companies would be made available to property and casualty companies of similar size. Thus, a small property and casualty company with assets of less than $500 million would be entitled to exclude from its insurance company income 60 percent of the first $3 million of insurance company income earned each year. The special deduction would be decreased by 15 percent for every insurance dollar earned in excess of $3 million. Thus, the small company deduction would phase out once insurance income reached $15 million for the year.

The same limitations that currently apply to small life insurance companies, for purposes of determining their assets and their insurance income, would apply to the deduction allowable to small property and casualty companies.

I strongly encourage my colleagues to cosponsor this important legislation and to work for its prompt enactment so that small property and casualty companies and small life insurance companies will be subject to equal tax treatment.

TRIBUTE TO THE CONTINENTAL SOCIETIES, INC.

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. DELLUMS. Mr. Speaker, I rise today to honor and celebrate the continuing contributions of the Continental Societies, Inc., a public service organization dedicated to the socioeconomic and cultural welfare of underprivileged children and youth.

As the final decade of the 1990's unfolds before us, I wish to extend my continued support of the Continentals in their work with the youth of this country.

As they begin their 36th annual conclave in this, our Nation's Capital, I am again reminded of the importance of our youth. They are a true natural resource. The theme, "Continentals in Action: Building Bridges for Children and Youth in the 90's," reflects the desire and need for organizations which have as their focus children and youth, and for organizations which continue to redefine their plans to encompass all of the new needs which are constantly rising up in our society.

With the resurgence of racism in our Nation and the battle we face against drugs and violence in our communities, the need for organizations like the Continentals is more important than ever.

I believe that committed men and women are the tools which we must use to reshape the world for a better future for our children and youth.

I salute the Continental Societies and wish them continued success as they continue to make this a better place in which we want our children to live.

I believe that organizations like the Continental Societies hold the key that we must use to reshape our world for a better future for our children and grandchildren.

FLORIDA CHILD'S WISH COMES TRUE, MAKES DREAMS HAPPEN

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, for more than 5 years, Florida Child's Wish Come True has been working to grant the wishes of terminally ill children throughout the State. This nonprofit, charity organization has made possible such wishes as visits with celebrities Bill Cosby and Tony Danza to trips to Disneyworld. The charity also provides much needed emotional support for the families of these terminally ill children.

Florida Child's Wish Comes True depends entirely upon corporate and individual donations for the resources to grant these most important wishes. The charity recently held a press conference to kick off its latest fund-raising drive, the Holiday Cruise with the Stars 1991. In September of this year, several well-known stars of daytime soap operas will set sail with a boat load of fans on a one-week cruise on Carnival Cruise Lines. The proceeds from this special event will be donated to the Florida Child's Wish Come True.

Mr. Speaker, Florida Child's Wish Come True gives each terminally ill child a wonderful gift—the assurance that they are significant. I commend the leadership of this charity for making so many precious wishes come true. These include: Robert Kozyra, chairman of the board; Frances T. Keefe, founder and executive administrator; Walter Huston, Jr., treasurer; and the directors J. Douglas Moseley, Gordon Solie, Larry Mock, David Wood, Mel Abrahams, and Ross Goodman. I encourage these leaders and the many Florida Child's Wish Come True volunteers to continue their good work.

RECENT EVENTS IN POLAND

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. HOYER. Mr. Speaker, 2 years ago, agreement was reached to hold a Conference on Security and Cooperation in Europe [CSCE] meeting on cultural heritage in the historic city of Cracow. At that time, we believed the meeting would take place in the Peoples Republic of Poland. But the 2-week meeting which just concluded took place in a completely different country: The Republic of Poland, a democratic country which has joined the community of nations. That country has not merely transformed its name, but its entire political and economic structure.

The magnitude of this reform process can not be overestimated. Indeed, the legacy of devastation which Poland must now overcome dates back more than 50 years, to the Nazi invasion in 1938. But Poland's troubles did not end with the war; after her industry was cannibalized by Soviet liberators, 45 years of Communist mismanagement all but finished off the economy. No wonder then, that in his opening speech at the Cracow meeting, Polish Prime Minister Bielecki called communism "a 40-year aberration," an "insane experiment." Fortunately, that experiment could not quash the spirit of the Polish people. And it is that spirit which is forging a democratic Poland today.

The United States has actively sought to support the reform process in Poland, through such efforts as the SEED Program spearheaded by Congress and the loan forgiveness plan recently announced by the President. These efforts, it should be underscored, are not merely quixotic gestures in Poland's direction. They are based on a few fundamental principles.

First, Poland has made the political changes necessary to demonstrate a full commitment to the 1975 Helsinki accords. This should be the essential prerequisite for any significant aid package offered to any CSCE country. In this respect, economic aid is designated to bolster and encourage democracy. Second and equally important, Poland has developed, in close consultation with concerned Western governments and the IMF, a comprehensive economic reform program. That program cannot work miracles, and it may take decades to undo the damage left by the Communist experiment, but Poland's Balcerowicz plan is already producing positive, concrete results.

Mr. Speaker, Poland is embarking on a new experiment—the transformation from a centrally planned to a free-market economy. It is particularly important that we underscore our commitment to Poland's political and economic reforms at a time when so many other nations are considering the same path. The demonstrated commitment of the new Polish Government to the Helsinki accords, combined with its commitment to a comprehensive economic reform plan developed in close consultation with interested Western parties, should carry a lesson far beyond its own borders.

AFFORDABLE TRANSPORTATION FOR DISABLED WORKERS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. GOODLING. Mr. Speaker, today I am introducing legislation which would provide critically needed transportation services to individuals with disabilities holding jobs or seeking employment.

Workers who are disabled and choose to compete in the marketplace are often at a disadvantage when it comes to locating affordable transportation to their jobs. For these individuals, the cost of transportation consumes a large portion of their paycheck and creates a disincentive for them to seek employment. A recent rate increase for shared ride van service in Pennsylvania's 19th Congressional District is a good example of the problem individuals with disabilities face.

My legislation would provide grants to States, local public bodies and agencies, and private nonprofit groups to provide transportation services for the disabled. The transportation services would be to and from work on a regular and continuing basis. Those covered would include individuals with disabilities holding or seeking jobs in typical work environments whose mental or physical disabilities prevent them from using available transportation. In addition, services can be provided to individuals with disabilities who live in areas where there is no fixed route public transportation.

I developed this bill with the support of the York County Association of Retarded Citizens, the Association for Retarded Citizens of the United States, and a number of national and local disability and transportation groups. The bill will add a new section to the Urban Mass Transit Act of 1964.

As you know, last year we enacted landmark legislation providing for fair and equal treatment for Americans with disabilities. But, if these citizens are unable to get to work, it makes little difference whether or not jobs are available.

Mr. Speaker, these citizens want to work. They want to consider themselves in the mainstream of society, working and paying taxes and supporting themselves to the largest degree possible. It is in their interest—and ours—to help them find affordable transportation. I urge my colleagues to support this important legislation.

MRS. AUSTINE HEARST, WRITER, PHILANTHROPIST: REST IN PEACE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. SOLOMON. Mr. Speaker, this week we note sadly the passing of a truly remarkable woman.

Austine Hearst, wife of William Randolph Hearst, Jr., editor in chief of Hearst Newspapers, finally succumbed to a long illness on June 23.

Mrs. Hearst added her own luster to a remarkable family. She was a talented and gracious woman, beloved by people of all stations in life, an active philanthropist for over 40 years, and herself an accomplished journalist.

There is much that could be said about such a full and productive life. It was expressed well in an Albany Times-Union obituary. I enter the article in today's RECORD, while expressing on behalf of the entire House our condolences to Mr. Hearst and the rest of the family:

AUSTINE HEARST, 72; WRITER, PHILANTHROPIST

NEW YORK.—Austine McDonnell Hearst, wife of the editor in chief of the Hearst newspapers, died Sunday at Memorial Hospital in New York City.

Mrs. Hearst, 72, died of heart failure following a long battle against lymphoma. Her husband, William Randolph Hearst, Jr., and their two sons were at her bedside.

Mrs. Hearst has long been known for her charitable work, knowledge of U.S. history, love of horses and interest in languages.

For the past 40 years, Mrs. Hearst supported and worked for such charitable causes as the Girl Scouts, the Endowment Fund of

Mount Vernon (in support of George Washington's Virginia estate) and the Abigail Adams Smith Museum in New York. She also contributed other charitable support and services that she never made public.

She wrote, "The Horses of San Simeon," a book about the breeding and raising of Arabian horses at San Simeon, Calif., location of the Hearst Castle, now one of the most famous tourist sites in the nation. She continued to raise Arabian horses there until her death.

The San Simeon castle and grounds were developed by William Randolph Hearst, Sr., who founded one of the largest media companies in the United States. That company, which has remained private, is now involved in about 135 different businesses in the United States and abroad. Capital Newspapers, publisher of The Times Union and Sunday Times Union, is a division of the Hearst Corp.

Mrs. Hearst was elected to the list of the World's Best Dressed Women in 1948. She remained for 14 years on the list until she was made a permanent member in 1962.

Mrs. Hearst also was a long-time globetrotter, accompanying her husband for some 35 years on his trips covering big stories and interviewing international leaders.

She thus met many famous world figures. At the same time, she had an earthy earthy wit that made her friends in all walks of life, from stable hands to Girl Scouts to reporters.

Mrs. Hearst had been riding for some 60 years. She was Joint Master of the Golden's Bridge Hunt in upstate New York, where the Hearsts maintained a weekend retreat, since 1978. Despite her illness, she rode regularly until the time of her passing.

Mrs. Hearst began riding as a child at her parents' home in Warrenton, Va., where she was born on Nov. 22, 1918. Her father, a retired Army officer and gentleman farmer, taught her to ride from a young age.

Her ancestors were Virginians before the American Revolution and Mrs. Hearst was a member of the Daughters of the American Revolution. She also was a member of the Colonial Dames of America, Daughters of the Society of the Cincinnati, Society of Descendants of William I the Conqueror and his companions-at-arms, and Dames of the Magna Carta. She also was a member of the American Fox Hound Club.

Her lifetime love of horses and other animals led Mrs. Hearst into the nation's conservation movement. She was a staunch supporter of a healthier, cleaner, safer environment and a longtime member of the National Audubon Society.

Mrs. Hearst's first professional position was as a reporter on the Washington Times-Herald newspaper. She also wrote a society column, "Under My Hat," for the Times-Herald. Later, she wrote a syndicated column, "From the Capital," for 10 years.

While writing this column, she met her husband in Washington. They were wed at her home in Warrenton and lived in Washington for several years after their marriage.

Mrs. Hearst had her own radio program in Washington and regularly appeared on a national television panel show.

She left the newspaper business in 1956 to take care of her growing family. That year she accompanied her husband, who was then publisher of the New York Journal-American, on a round-the-world trip and wrote articles based on her interviews with the wives of world leaders and women of all classes in the nations they visited.

Mrs. Hearst, who was called "Bootsie" by her friends, was active in the 1950s in support of the National Jewish Hospital at Denver.

Mrs. Hearst was educated in Fauquier County schools, King-Smith Junior College in Washington, D.C., and the College of Notre Dame of Maryland. She received an honorary Doctor of Humane Letters from Notre Dame in 1989 for her charitable works, concern for animals and land preservation, and her longtime contributions to journalism.

Mrs. Hearst was a member of three clubs, the National Press Club, the Sulgrave Club in Washington and the Cosmopolitan Club in New York. She is survived by her husband, two married sons—William Randolph Hearst III and Austin—and two grandchildren.

Will Hearst is publisher of the San Francisco Examiner. Austin Hearst is vice president of Hearst Entertainment and Syndication, a division of the Hearst Corp. in New York.

TRIBUTE TO LESLIE A. "BARNEY" BARNHART

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. HUBBARD. Mr. Speaker, I take this opportunity to pay tribute to Leslie A. "Barney" Barnhart of Owensboro, KY, who died on March 20, 1991, at Mercy Hospital in Owensboro at the age of 67.

Barney Barnhart was born in Olney, IL, and had a long and distinguished career as a public school teacher. He retired from his teaching position at Owensboro High School in 1981.

In addition, he was a member of the local business community. He owned and operated Skinner's Corner at Consumers Mall in Owensboro.

Barney Barnhart, well-liked and admired by those of us who knew him, was a member of the Settle Memorial United Methodist Church in Owensboro and was an Army Air Corps veteran of World War II.

He is survived by his lovely wife, Ferne Holman Barnhart of Owensboro. Other survivors include his son, James H. Barnhart of Louisville, KY; four daughters, Rebecca Barnhart, of Arlington, VA, who served as a press and projects assistant on my congressional staff, Debbie Keelin and Amanda Howell, both of Madisonville, KY, and Diana Whitecar of Mountain View, CA; his brother, George N. Barhart of Peoria, IL; and three grandchildren.

My wife Carol and I extend our sincere sympathy to the family of the late Leslie A. "Barney" Barhart.

TOXIC POLLUTION RESPONSIBILITY ACT OF 1991

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. SMITH of New Jersey. Mr. Speaker, today I am introducing the Toxic Pollution Responsibility Act of 1991, which will prevent industrial polluters from avoiding the costs of cleaning up Superfund sites. In the last couple of years, clever corporate attorneys have found a loophole in the Superfund law which they are exploiting to force municipalities, small businesses, and now even individual homeowners to bear the brunt of cleaning up toxic pollution generated by industry.

In New Jersey, at the GEM's Landfill Superfund site, over 100 municipalities and school boards are being sued by the industrial polluters to pay for the cleanup. At the Lone Pine Landfill site, hundreds of small businesses and municipalities face legal action if they don't agree to pay for most of the estimated $50 million cleanup. In California, at the Operating Industries Superfund site, 64 industrial polluters are suing 29 municipalities for up to 90 percent of a cleanup estimated at $800 million. In Connecticut, 25 municipalities are being sued by the industrial polluters for cleanup costs in excess of $70 million and now the industrial polluters are even suing individual homeowners.

Mr. Speaker, these industrial polluters, many of whom are guilty of dumping chemical wastes, acids, and PCB's into landfills, have been forced to pay the cost of cleaning up these toxic sites by EPA. However they are now turning around and suing municipalities and businesses who have only sent common household trash to the same landfill. The lawsuits allege that because household waste contains at least small amounts of hazardous substances—such as mothballs, furniture polish, and flea collars—municipalities and small businesses can be sued to repay the expenses of the industrial polluters.

Mr. Speaker, this is an obvious perversion of the Superfund law which was designed to make the polluter pay. In the cases cited above, the EPA has already made the judgment that the industrial polluters who dumped highly toxic waste into the landfill are responsible for creating these Superfund sites. Furthermore, the EPA has a municipal settlement policy in which they have made the judgment that municipalities or other entities whose only contribution to a landfill is common household trash should not be held liable for cleanup costs. Unfortunately, however, EPA does not have the statutory authority to extend their own policy to prevent industrial polluters from suing generators of common household trash.

In order to remedy this situation, I am introducing the Toxic Pollution Responsibility Act of 1991. This legislation will codify the EPA's current policy of not pursuing generators or transporters of common household trash. My legislation will prevent industrial polluters from circumventing EPA's policy and suing small towns who have had their garbage sent to the same landfill where toxic waste was dumped.

Mr. Speaker, this legal maneuver by industrial polluters threatens the entire Federal system of cleaning up toxic waste sites. A June 16 story in the New York Times describes the real intentions of the industrial polluters:

> The long-term goal of the corporate defendants, say the environmentalists and other groups, is to spread the pain of Superfund so widely that pressure builds to abandon the polluter-pays standard altogether. In the shorter term, the presence of financially strapped but politically potent parties like cities adds to the pressure on E.P.A. to select less expensive cleanup plans.

The legal strategy employed by industrial polluters will slow cleanup efforts and could

severely undermine the Superfund law itself. The disastrous consequences of the third-party lawsuits are threefold.

First, industrial polluters are looking to recoup the costs of the cleanup from municipalities and other small businesses which is simply unfair and unjust. And even if the municipalities beat the industrial polluters in court, the costs of the legal battle is still passed along to the taxpayer. Second, industrial polluters have admitted that by enlisting municipalities in the cost of the cleanup they hope to be able to pressure EPA to scale back the scope of the cleanup. And third, threatening innocent parties into threatening, expensive, and lengthy legal battles, industrial polluters hope to turn the public against the entire Superfund cleanup program.

Mr. Speaker, we must not allow this loophole to threaten the integrity of the Superfund law. The Toxic Pollution Responsibility Act would insure that Superfund cleanups continue and that the polluter pays.

A TRIBUTE TO DOROTHY J. HANN

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. FAWELL. Mr. Speaker, I rise today with great pride to honor a vivacious member of my staff, Dorothy J. Hann, better known as "Dodie," who will be retiring after 23 years of faithful service to the 13th Congressional District of Illinois. I am pleased to come before the House today to tell you about this woman's incredible career.

Dodie started working for the 13th District in June 1968 for former Congresman John Erlenborn. In the beginning she had no thought of working full time for the Congressman, but her love of politics and desire to help her community could not keep her at part-time for long. Dodie was the backbone of the office. From clipping newspapers and answering the phone, to helping constituents, Dodie lent her expertise and humor to her responsibilities. It is hard to imagine how different the office must have been before computers, fax machines, and copiers. Yet, with her determination and skill, Dodie came up with creative ways to keep track of the growing constituency using index cards instead of a data base and manual typewriters instead of word processors.

The computer era, however, did not catch Dodie by surprise. She came to Washington to learn the new system and returned to Illinois to teach the rest of the staff. From that point on, she was the primary computer operator in Illinois for John Erlenborn's office, as well as mine when I was first started serving in 1985.

Leading the smooth transition after John Erlenborn's retirement, Dodie was a key factor in keeping the office running efficiently. Her wit and enthusiasm helped us through the rough waters. For the 6 years that I have been in office, Dodie's responsibilities have included computer maintenance and operations, constituent requests, supervision of the intern program, and casework. She has played a very important role in my Illinois office and it just will not be the same without her. Dodie will be missed for her love of life, strength of character, and sense of humor. I wish her the best of luck in every adventure she encounters and hope that her hours are filled with tennis games, golf, and more African safaris.

SECRETARY BAKER'S HISTORIC VISIT TO ALBANIA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. BROOMFIELD. Mr. Speaker, I want to salute the good work of Secretary of State James Baker during his historic visit to Albania. Last Saturday, he was warmly received by more than 300,000 Albanians who welcomed him to Tirana.

For four decades, the Albanian people have been isolated from the outside world. As the winds of change swept through Eastern Europe in 1989, Albania began to slowly open its doors and set sail on the rising tide of democracy. Elections were held there last March and the United States resumed diplomatic ties during the same month. This month, the Communist cabinet was replaced by an interim government in which half of the ministers were drawn from newly formed opposition parties and half from the Communist Party. While the democratic forces in that nation are still in their infancy, Dr. Sali Berisha, the leader of the opposition Democratic Party, believes that his party will win next spring's multiparty elections.

Secretary Baker offered Albania a $6 million humanitarian aid program, stressed to the Albanian people that freedom does work, and urged them to continue to work hard to build a true democracy. I commend the Secretary for taking the visionary step of visiting a country that is slowly emerging from a terrible nightmare that has lasted for 50 years. I also want to salute the Albanian-American community and the officials in the United States Government for their faith and confidence in the freedom-loving Albanian people and in the democratic movement in that country.

It is a rare occasion when one can witness the creation of a democracy. Those of us who have watched the slow emergence of freedom in Albania believe that we have seen that nation transformed from a closed and bizarre police state to a country moving toward democracy.

I want to share the Secretary's comments in Albania with my colleagues in the Congress.

REMARKS BY SECRETARY OF STATE JAMES A. BAKER III

Free citizens of Albania: On behalf of President Bush and the American people, I come here today to say to you: Freedom works. At last, you are free to think your own thoughts. At last, you are free to speak your own mind. At last, you are free to choose your own leaders. At last, you are free to worship in your own way.

We meet here today at a historic moment. Albania has chosen to join the ranks of free nations. Albania has chosen to join in the building of a Europe whole and free. Albanians have chosen to join the company of free men and women everywhere.

I have come from a meeting in Berlin of the Conference on Security and Cooperation in Europe. We did many things there. Among the most important was to welcome Albania to membership. And we did so because we heard your call, your wish to be part of Europe. And now I am here to tell you: Albania is part of Europe, and Albania will not be left behind as the new Europe is built.

Your presence here today reaffirms your choice—the choice of freedom for a nation, freedom for a people, freedom for each and every one of you.

But I have not come here today to instruct you on the virtues of freedom or democracy. You know how inhuman are the ways of totalitarianism. You know how difficult it is to lift the yoke of tyranny. And you know how it is to be cut off from the wider world.

For almost half a century, "from Stettin in the Baltic to Trieste in the Adriatic," an Iron Curtain tore an ugly scar across this continent. Now it is gone, gone like the hollow dictators that lowered it across Europe.

Gone because the people have acted. The people—ordinary men and ordinary women of extraordinary hope and extraordinary courage—have lifted that curtain of tryanny.

And in its place, the people have built and are building bridges of tolerance and trust, bridges built on freedom and democracy and the universal rights of man.

This work of the people has not been and will not be easy—but I want you to know we understand how hard you have toiled and we are anguished by the pain you have endured. But your own words convey these feelings in a way I never could. Let me read a letter I have received from the people of Berati:

"To Mr. James Baker, American Embassy: The democratic soul of the peoples of Berati, with a twenty-four-hundred-year heritage of civilization, finds in you a citizen of honor long expected. During this half century of Stalinist hell, our people have experienced deep pain. Nevertheless, they have always struggled, they have never been subdued, and they have always hoped. You and your country are the temple of freedom and democracy, that very soon will fill this gap and give new wings to the wearied hope. * * * Blessed be your day."

To this I reply: Blessed be the people of Berati. Blessed be the people of Tirana. Blessed be the people of Albania.

As I stand with you in this square at this historic time, I want for a moment to remember those of your countrymen who endured Albania's long winter, but did not live to see the spring. Your long march to freedom owes a great debt to their suffering and their courage.

Today every Albanian can repay that suffering and courage by banishing old fears and by seizing the hopes of a new generation.

For you have embarked on a new journey away from the darkness of the tragic past toward the sunlight of a shining future. It will not always be easy to travel this road. You know that. But President Bush wants you to know this, too: You will not be alone as you travel freedom's road.

For I have come here today to bring you a message from another free people—the American people. And my message is welcome.

Welcome to the assembly of free peoples building a Europe whole and free. You are with us, and we are with you.

Welcome to the community of democracies, building the future on the choice of each and every citizen. You are with us, and we are with you.

Welcome to the company of free men and women everywhere, the way our Creator in-

tended us to be. You are with us, and we are with you.

Welcome, free citizens of Albania, to freedom.

Freedom works!

Thank you very much.

THE EMPLOYEE BENEFITS SIMPLIFICATION ACT

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. CARDIN. Mr. Speaker, today I am introducing the Employee Benefits Simplification Act. In so doing, I join the Senator from Arkansas [Mr. PRYOR], who sponsored similar legislation last year and is introducing this legislation in the other body.

Over the past decade, America's private pension system has suffered from growing complexity. The rules have become so complex that in many cases, employers and employees, especially of small businesses, have been closed out of the system.

The result is that the private pension system is being undermined. The purpose of the legislation I introduce today is to remove some of the layers of regulation and complexity and to encourage increased participation in pension plans.

In proposing design-based safe harbors for qualified plans under section 401(k), the legislation seeks to ease the administrative burden on plan sponors. These burdens have discouraged many small businesses from sponsoring plans, and have added greatly to the costs of plan administration for big businesses.

The safe harbors have been designed to balance these concerns against the need to encourage workers to save and plan for their retirement. Chairman ROSTENKOWSKI, who yesterday introduced pension simplification legislation, has indicated that hearings will be held next month on this issue. I am hopeful that those hearings will provide an opportunity to examine the likely impact on plan sponsors and participants of the safe harbors proposed in my bill.

In addition to provisions affecting the nondiscrimination rules, the bill also takes much-needed steps to liberalize the distribution rules. I have been particularly concerned that under existing law, employees face numerous restrictions if they seek to roll distributions over into an individual retirement account or other qualified plan. It makes no sense to provide tax-favored treatment for retirement savings and then impose severe penalties on workers who seek to move their savings from one retirement plan to another.

Mr. Speaker, these and other proposed changes made in this legislation seek to make the private pension system in this country more user friendly. We need to encourage businesses to sponsor retirement plans, and we need to give Americans incentives to save for their retirement. I am hopeful that this legislation will advance both those goals. I look forward to coming debate on these important issues.

H.R. 2332, TO EXTEND SALVADORAN IMMIGRATION STATUS DEADLINE

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Ms. PELOSI. Mr. Speaker, I rise today in support of H.R. 2332, a bill to extend the deadline for Salvadoran immigrants to apply for temporary protected status from June 30, 1991 to October 31, 1991.

Last year in the immigration bill, we established a temporary protected status [TPS] immigration category to protect aliens in the United States whose lives would be endangered if they returned to homelands plagued to armed conflict, natural disaster or other circumstances. Recognizing the strife and dangers in war-torn El Salvador, we specifically designated Salvadorans for TPS. This designation was the result of years of work by Chairman MOAKLEY, and I commend him for his commitment and dedication to improving the lives of Salvadorans.

Unfortunately, the Immigration and Naturalization Service [INS] moved agonizingly slowly in developing and publishing regulations on how to apply for TPS. Problems with fees set at unreasonably high levels by the INS further slowed the application process. The final regulations were not established until last month, and the deadline for Salvadorans to apply is June 30, 1991, less than a week away.

Many of the Salvadorans who came to this country illegally did so because they rightly feared that if they remained in their country, they would be killed. Given the brutality of the Salvadoran civil war, their concerns are justified. We passed TPS for Salvadorans because we wanted to grant some measure of protection. The Salvadorans who qualify for TPS should have a full opportunity to apply for it.

When we passed the TPS program with a series of application deadlines, we believed that the INS would and could implement the program rapidly enough to make the deadlines realistic. This has not been the case. Now that the final regulations have been released, we should extend the application deadline in order for the program to be given a chance to succeed. I urge my colleagues to support H.R. 2332 to extend for 4 more months.

THE COMMON MARINE WITH AN UNCOMMON TOUCH

HON. BEN GARRIDO BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. BLAZ. Mr. Speaker, when President George Bush finished his victory speech before a joint session of the Congress on March 6, 1991, with the whole Nation viewing and probably half the free world, he left the podium and headed toward the Joint Chiefs of Staff to thank each warmly and profusely; but for one in particular, he had a bear hug of an embrace much like winning team members would do after a hard fought championship game or a coach for his star athlete.

Little note was made of the incident by the news media, and, yet, those of us who know the President immediately recognized that much more was being communicated than mere words could convey. This was a special expression of gratitude and appreciation being delivered to a singular individual.

The embrace was done on behalf of a grateful nation, and it reaffirmed the old adage that great followers make great leaders; for both men were great followers when they needed to be and from that experience honed the qualities to make them great leaders when their time arrived.

The President of the United States as Commander in Chief, without uttering a single word, said, in effect, thousands in embracing this particular general officer. It was a fitting tribute to a man who has given almost 40 years of service in the name of his country. It was made even more fitting since this is a man who avoids ostentation in all things. He is a common man, a common marine, true, but one with an uncommon touch. He is Al Gray, Commandant of the Marines, who will be retiring from active duty next week.

In a city like Washington, DC, where the uniform of power is the dark business suit or pin stripes, Al Gray came to town in a camouflage utility uniform. This was not an affectation but rather an affirmation, a reminder, that above all else, Al Gray is not a bureaucrat, not a politician, but an American warrior. He could have worn on his uniform row upon row of ribbons and medals. He could have worn, with no accusation from anyone of pretentiousness, his many medals for heroism and valor: his Silver Star, his two Legions of Merit, his three Purple Hearts, his four Bronze Stars. He chose to wear instead only one insignia over his left pocket—the Marine Corps emblem.

In a city all too easily impressed by dashing personalities, he is a man known for his daring ways. He is one who defies convention in favor of pure common sense.

Most importantly, he is a guy with whom I was proud to have soldiered with in war and to have walked shoulder to shoulder with in peace. He is one who invariably ends his remarks and presentations with words like "Take care of yourselves, take care of your families, and take care of your fellow marines." In doing so, he leaves no doubt in the minds of his listeners that he, in turn, will take care of them. It is said that one of the yardsticks for measuring a person's worth is whether we are better for having known him. As far as Al Gray is concerned, our country and the international community are the better for having been served by him.

The highest tribute when a warrior enters a room is for someone to say, "Ladies and gentleman, please rise. This officer has served heroically in such and such a place and such and such a battle." In the case of this man, he would not have to be introduced and neither would he want such a lofty announcement. Today, I rise in his Chamber of the House of the people to salute this common marine with an uncommon touch whose leadership and inspiration have touched us all. With a few simple phrases and reassuring grin, he could ex-

press his sentiments and convey his messages better than others could with a 1,000 words. With his great wit and more than ordinary ration of good sense, he could convert a crisis into a challenge. With his unwavering grasp of strategy and tactics, politics and geopolitics, national and international issues, he could project his thoughts, not unlike a master billiard player so adept at what he is doing that he thinks not so much of his imminent shot as the positioning of the cue ball for the shot that follows.

Al Gray excels not ony in war as a warrior but in peace as a peacemaker, and he does both with equal dignity and aplomb. He does not hold the dubios title of being one of the characters of the Corps; but he holds the one that says he is a man of great character. As Gen. Lemuel C. Shepherd, Jr., one of General Gray's beloved predecessors, liked to say: "The relationship of the officer to the enlisted man is much like the relationship of teacher to student. If the student fails to learn, it is because the teacher failed to teach." Al Gray has excelled both as an enlised man and as an officer; as a student and as a teacher.

For those of us who know personally both George Bush and Al Gray, that embrace given by the President on the night of one of his greatest triumphs, though totally unexpected, nevertheless came as no surprise. It was a very personal, emotional, and magnanimous gesture, totally befitting the occasion. It was a salute from the Commander in Chief, I, for one, will never receive; it was one extended to a great American patriot in a moment in history I will always remember.

WELCOME TO PRESIDENT ROH TAE WOO OF THE REPUBLIC OF KOREA

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. SOLOMON. Mr. Speaker, his Excellency Roh Tae Woo, the President of the Republic of Korea, will be received in Washington next week for a 3-day State visit. He is coming at the invitation of President Bush, and his trip will mark the first State visit of a Korean President since Syngman Rhee came to Washington in 1956.

President Roh's visit comes at a most auspicious time. The alliance between the United States and the Republic of Korea has endured through 43 years of war and peace, and now is the time to reaffirm that partnership and to strengthen the ties that bind our two great nations.

During the past 2 years the entire world has witnessed the collapse of Communist totalitarianism in Europe. Regrettably, there are places in Asia where Communists still hold sway, but their days are numbered.

The first great tests of the containment doctrine—whose inexorable triumph we are seeing today—came in Berlin and Korea. The Berlin Wall is now gone and Germany is reunited, but the Korean Peninsula remains divided. The Korean Peninsula remains as the one place on Earth where the forces of the free world are arrayed face to face against the forces of communism.

But just as the Berlin Wall came down, so the division of Korea will inevitably end, and the forces of freedom will prevail.

Throughout his life, Roh Tae Woo has contributed mightily to the progress his country has made. Aside from his active involvement in building a strong economy and prosperity for all free Koreans, it was his leadership in 1987 that broke the political impasse and paved the way for a direct election by the Korean people of their President.

As President, he has extended the full protection of civil rights, along with unrestricted freedom of press and speech, to all citizens in the Republic of Korea. Expansion and liberalization of the Korean economy has continued, and the Republic of Korea's diplomatic success in the world community will be recognized this fall when the ROK becomes a full-fledged member of the United Nations.

The United States can take justifiable pride in the tremendous successes that have been achieved by our close friend and ally, the Republic of Korea. The relationship between our two great countries is consecrated by the lives of more than 1 million Koreans and more than 50,000 Americans who made the supreme sacrifice in the 1950's so that the lamp of freedom would remain burining on the Korean Peninsula. That war began 41 years ago today.

The threat from Communist North Korea still remains, but the tide of history is running only one way: toward the freedom and prosperity that is enjoyed by the citizens of the Republic of Korea. It is only a matter of time before the last vestiges of communism in North Korea go the way of their failed counterparts in Europe.

And so I salute President Roh on the occasion of his State visit to Washington. I hope and trust that he will have a productive and enjoyable visit.

THE UNIFORM PRODUCT LIABILITY ACT OF 1991 AND THE PROFESSIONALS' LIABILITY REFORM ACT OF 1991

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. RITTER. Mr. Speaker, the litigation explosion has had a negative impact on practically every sector of our society. Liability insurance premiums increase expenses for all Americans. Courts are jammed with frivolous lawsuits, delaying the consideration of legitimate suits. Small businesses are closing their doors because they cannot afford insurance protection. Doctors trained to deliver babies are leaving the profession in some parts of the Nation. Technological innovation along many fronts is stifled for fear of being sued. Sometimes, insurance is unavailable to engineers who work in cleaning up the Nation's hazardous waste sites or who work to remove asbestos from schools and other public facilities. Everyone pays for the exorbitant costs paid by American institutions, public as well as private, to defend themselves against liability suits.

Federal reform of the myriad State product and professional liability laws is not a new idea. Bills have been introduced since 1980, yet to date there has been no action on these bills other than committee action. I, personally, am a veteran of the battles waged in the Energy and Commerce Committee's Subcommittee on Commerce, Consumer Protection and Competitiveness. In 198 – , we actually got a bill through the full Energy and Commerce Committee to provide for uniform product liability.

In a book authored by Peter Huber in 1988, "Liability: The Legal Revolution and its Consequences," it is estimated the total cost of America's preoccupation with suing at $300 billion. In Bruce K. Maclaury's forward to the book, "The Liability Maze: The Impact of Liability Law on Safety and Innovation," he says, the authors reasoned that "when the legal costs of certain kinds of accidents are prohibitively high and unpredictable, entire sectors of enterprise shut down."

Peter Huber is a senior fellow at the Manhattan Institute for Policy Research in New York and counsel to Mayer, Brown & Platt in Washington, DC. Robert E. Litan is a senior fellow in the Economic Studies Program at Brookings, where he is also the director of the Center for Economic Progress and Employment.

In the more recent compilation of articles edited by Huber and Litan, the forword goes on to note "the authors focus on five key sectors of the economy where liability appears to have had the greatest effects: The automobile, chemical, general aviation, and pharmaceutical industries and the delivery of medical services. They find that the impact of liability trends has been highly uneven across those sectors. In some, such as general aviation, liability trends seem to have had devastating effects on innovation. In others, such as chemicals, tort litigation seems to have had little influence on innovation, though arguably it may also have failed to provide sufficient incentives for safety. The other sections fall in the middle, with some examples in which the publicity generated by adverse liability verdicts has enhanced safety by reducing the demand for potentially dangerous products, and other examples in which just the threat of tort litigation may have dampened research and innovation. Despite the diversity of the findings, the project coeditors suggest that policy actions are warranted. Among other things, they point to the need for more certainty in liability doctrines, positive rather than negative incentives in the tort law for private actors to improve safety, and more systematic efforts to weigh the costs and benefits of liability doctrines themselves before they are unleashed on the private sector.

But there's more than meets the eye.

America's litigation climate is a boon to our foreign competitors. It is ironic that the European Economic Community [EEC] also initiated consideration of minimum, uniform product liability standards in 1980. Already, the EEC has a uniform code directive on product liability, and the member countries began its implementation in 1990. I believe it is time that Congress and the administration provide similar leadership for our manufacturers which sell their products across State lines and national borders, our researchers who develop and im-

prove products, and our professionals who serve enterprise and the public.

But it is not only our manufacturers and professionals that deserve this legislation. Consumers would benefit from tort reform because it will go a long way in eliminating frivolous suits and clearing the courts for real issues. Consumers will also benefit by the elimination of often irrational laws that deter product quality improvement and innovation or deter professionals from providing services that have some risk or encourage doctors to order expensive and sometimes unnecessary or duplicative tests to provide themselves with protection against litigation.

Under the current piecemeal tort laws of our 51 jurisdictions, the competitiveness of U.S. companies, services and jobs is reduced. America cannot be the litigation capitol of the world without loss of significant global competitiveness. I believe it is time to start again on uniform Federal product and professional liability reform.

My bills are modest proposals which set out a limited agenda. These bills do not attempt to address every unique aspect of each State's tort system. If enacted, they would not create sweeping new Federal strict liability or negligence standards. Instead, they would fix the myriad State product and professional liability laws only in the most critical areas that need fixing. I offer these bills as a starting place for discussion and look forward to working with my colleagues on useful, viable, Federal product liability reform legislation.

In the 100th Congress, the Energy and Commerce Committee passed a product liability bill out of committee aimed at helping manufacturers, distributors, and sellers of products. Similar legislation has been introduced in the other body and will soon be introduced again this year in that House to be considered. But that help extends to only one sector of our economy, manufacturers.

The growth industry that is litigation is not confined only to manufacturing. Professionals who provide necessary services to consumers, government, and business need the same fair treatment that Congress has been considering for manufacturers.

SPECIFICS OF THE UNIFORM PRODUCT LIABILITY ACT (H.R. 2700)

The Uniform Product Liability Act of 1991 will not hold a manufacturer liable for risks that could not have been known at the time of manufacture.

It includes the Federal standards defense and the alcohol and drug defense from H.R. 1115 as originally introduced in the 100th Congress.

It will however hold the seller liable if the seller is negligent or if the manufacturer cannot be reached—for example in the case of importing defective or unsafe products.

Defendants will only be liable for the percentage of the plaintiff's damages that correspond to the defendant's percent of responsibility for the cause of the harm abolishing joint and several liability.

It establishes a standard for liability for punitive damages of conduct manifesting a conscious and flagrant indifference to safety and constituting an extreme departure from accepted standards of conduct.

It establishes clear and convincing evidence as burden of proof.

It directs the court, rather than the trier of fact, to set the amount of punitive damages.

It also provides protection from punitive damages for drugs, medical devices, and aircraft approved by the Federal Government.

This proposal establishes a 2-year statute of limitation from date of discovery and prohibits claims arising out of capital goods to be filed more than 12 years after the first delivery of the capital good.

It also directs the courts to make alternative dispute resolution mechanisms available to the parties. Other than requiring that the potential penalties assessed for failure to accept a unanimous arbitration award be the same for both plaintiffs and defendants, leaves the details of the system up to the States.

But as I stated earlier, manufacturing is not the only concern. Apart from products, professionals in all fields—doctors, dentists, nurses, midwives, accountants, engineers, architects, surveyors, and even lawyers—are being subjected to overlitigation and its concomitant high costs and depressive effect on work and innovation.

For example, consulting engineers—who apply their talents to design our Nation's needed infrastructure, our roads, bridges, and buildings—are paying two to three times more for professional liability insurance coverage than they were just 5 years ago, according to the American Consulting Engineers Council. Some firms pay over 10 percent of their gross revenue for liability protection. That's the margin at which a business lives or dies. Every time a lawsuit is brought against a consulting engineering firm, it costs the firm an average of $8,000 of its own money to defend itself, whether or not the plaintiff prevails.

In other words, once sued, an engineer loses, even if the case is resolved in his favor. And in 40 percent of the suits brought against engineers, there is no payment whatsoever to the plaintiff—indicating that those suits should never have been brought in the first place. Consulting engineering firms are typically small businesses, and the cost of insurance and legal defense is practically wiping them out. That has got to change.

This is the kind of scenario that makes the Professionals' Liability Reform Act of 1991 necessary. The legislation sets a negligence standard for lawsuits against professionals, which simply means that a professional should not be found liable unless his/her services were in some way or another, negligently rendered. Today, a professional runs the risk of being included in a lawsuit just by being involved in a project which results in harm.

This issue demands Federal attention because of implications for interstate commerce. Whether it's increased medical expenses paid through reimbursements that M.D.'s receive from Medicare and Medicaid, or the vulnerability of CPA's, engineers, or brokers who work for companies active in interstate commerce, the situation is getting worse. The need to be covered for worst-case scenarios, which translates into peak premiums. Through this legislation, uniform Federal standards would be established to reduce the uncertainties and heightened costs of liability exposure caused by different standards in the 51 separate court jurisdictions.

SPECIFICS OF THE PROFESSIONAL LIABILITY ACT (H.R. 2701)

The professional liability bill bases awards on fault or wrongdoing, not on who has the deepest pockets—abolishing "joint and several" liability. Defendants would be required to pay only the amount of any judgment for which they are responsible;

It encourages alternative procedures to resolve disputes, expedite adjudication, and compensate for harm. Rather than bringing every case to the courts, both money and time may be saved by alternative mechanisms;

It provides periodic payments for damages. Structured settlements would provide for payment of awards in a timely manner to avoid the burden of a lump sum payment;

It limits plaintiff's attorneys' fees based on a sliding scale with the ability to petition the court in extreme cases. Currently, twice as much money goes to attorneys' fees and litigation expenses as to compensate victims;

It prohibits duplicate payments for damages. Awards would be reduced by insurance, wage continuation programs, workers' compensation, and other payments and benefits intended to compensate the plaintiff for the same injury;

It sets limits on punitive damage awards to plaintiff. Amounts of awards over three times the compensatory damages will be given to the State to offset court and other expenses;

And, it also holds claimant's attorney liable for frivolous suits. Attorneys would be liable for costs when they bring suits without reasonable basis strictly to achieve a monetary settlement as determined by the court;

These two pieces of legislation introduced today will not let any manufacturer or professional off the hook if there was negligence that caused injury or damages to an innocent party. No one, including manufacturers or professionals themselves, would want a system that does not require persons who make mistakes to pay for them. The provisions of the Professionals' Liability Reform Act simply puts professionals on an equal footing when they are sued—it requires that they are liable if negligent, but does not allow them to be the targets of people who are trying to win the lottery from companies, individuals, nonprofits, or governments who have deep pockets.

I urge my colleagues to join me in supporting both these legislative proposals. Until the problem, that of America's propensity to right all wrong—and then some—with lawsuits, is addressed, our competitiveness and our productivity as a nation will suffer. Our jobs will suffer. American enterprise, labor, governments, consumers, and the courts deserve relief from this sad state of affairs.

The Uniform Product Liability Act of 1991 (H.R. 2700) and the Professionals' Liability Reform Act of 1991 (H.R. 2701) will go a long way to provide that relief.

If you would like more information or would like to cosponsor this bill, please contact Jean Perih in my office.

KILDEE PAYS TRIBUTE TO DESERT STORM FORCES

HON. DALE E. KILDEE
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1991

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to the brave men and women that have served in Operation Desert Storm. On July 4, 1991, the official "Welcome Home" day, there will be parades and rallies in communities across America as families and friends gather to honor members of the military that have returned safely home and to remember those that perished in service to their Nation. One such ceremony will take place in the village of Holly, MI. I would like to take this opportunity to personally thank the service members listed below for a job well done.

In depending upon a smaller all voluntary force, the military has become extremely selective in accepting only our Nation's best and brightest. The fact that these men and women were chosen to be a part of this mission is an indication to all that they are exceptionally talented people. They are living proof that the military organization of the United States is the best in the world.

Throughout their enlistment, they will gain many experiences which will prepare them for greater responsibilities later in their lives. However, none will be more important than defending every human being's right to dignity and peace. These are the principles on which our great Nation was founded and unfortunately, for which it must sometimes fight. I am sure that we will continue to prevail as long as our Armed Forces are comprised of people such as these.

The following men and women will be honored in Holly on the Fourth of July with a red, white, and blue salute and parade:

Michael Lee Adams, Allen Aleksa, Robert Belbek, Jeremy J. Berggren, Cris L. Bigelow, Doug Blumenschein, Kevin J. Brown, Lenny Carrette, Jeff Coryell, Bruce DeNise, Bert DeNise, Philip Donovan, Michael Edwards, Michael L. Felkner, Tony R. Femminineo, Jack Flewelling II, Michael R. Ford, Allen Fry, George C. Goers, Gregory Goodall, Dennis E. Hall, Billy Hamilton, Jeffrey R. Hawley, Frank J. Hanson, Robert L. Hester, Brian Hobby, Joseph L. Horton, Walter Hoornstra, F.G. Humphries, Michale B. Kane, David Killowald, John King, Jr., William Koerber, Douglas Kramer, Dean A. Krantz, Cary A. Larson, Mark A. Ledford, Alex E. Lloyd, Teresa Mason, Donald K. McCombs, Wm. D. McCormick, William Minock, Steven Moore, Michael Morris, Mark D. North, Kurt Oldaugh, Mark Oliver, John Pailthorpe, Rodney Parke, Charles H. Randall, Jean Paul Roy, Jerome Schaar, Lloyd Schillinger, D. Schoenherr, Darwin Schreib, Terry Scowden, Wade Shafer, Jeffery F. Single, Dennis H. Snyder, Daniel P. Soward, Richard R. Suvanto, Mark Syswassink, Kevin Trimbath, Chris Trollman, Tracey Trollman, Andrew Turner, Jr., Sid Turner, Craig Van Aelst, John R. VanAvery, Chris Vaughan, Daniel Watson, Andrew Weakley, Rick A. Wilson, and Robert J. Wrotny.

Mr. Speaker, I ask that you and the 102d Congress join me in paying tribute to these brave men and women of the military. Their victory has rekindled our Nation's pride in its Armed Forces. We will be forever in their debt.